

DECEMBER 31 1988

Crunch
ce Big Bang

[Faded newspaper text]

Combined
engineering
output rises

مكنا من الأجريل

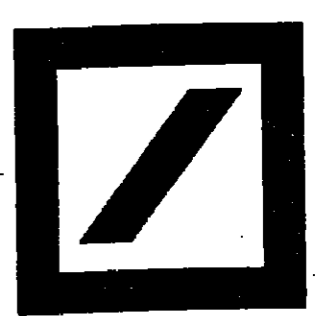
1989



Responsibility
Skills
Capital

Deutsche Bank
your partner in the world

Deutsche Bank Group



t ban
chance
ational
s strike

... of a national
... have needed
... from
... reported

... by the
... to
... the
... the

... and the
... the
... the
... the

... the
... the
... the
... the

... the
... the
... the
... the

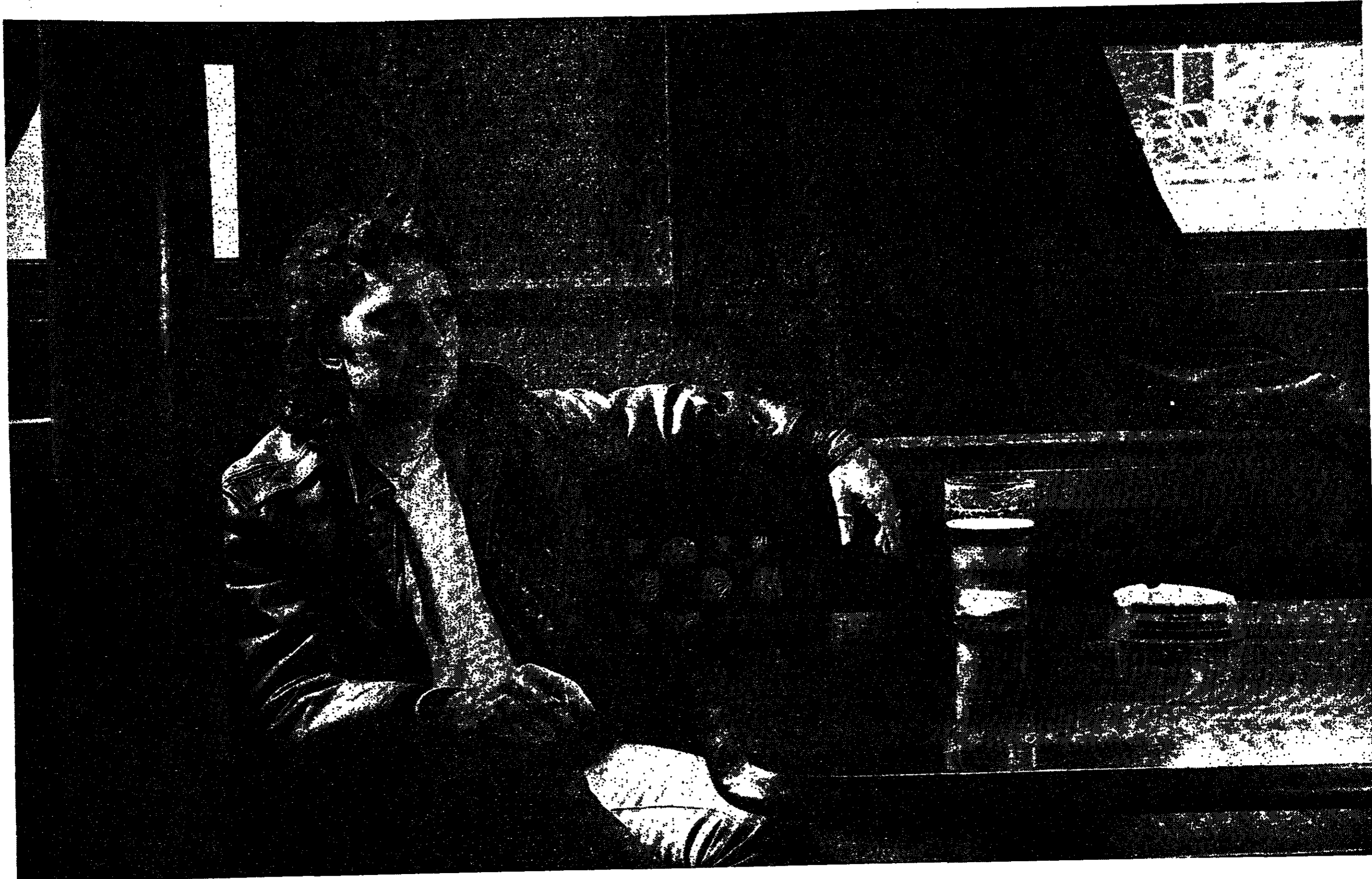
... the
... the
... the
... the

... the
... the
... the
... the

... the
... the
... the
... the

... the
... the
... the
... the

HOW SECURE IS YOUR CAR? ASK AN EXPERT.



Look at him. Hardly the backbone of the pub quiz team is he?

Yet when it comes to "doin' motors" there's little he doesn't know.

And, as he'll grudgingly acknowledge, some of the least rewarding motors to do are Vauxhalls.

The security coded stereo systems don't help for a start. Should he get his grubby little paws on one, he'll find it totally unusable, and, more to the point, totally un-saleable.

Mind you, that's provided he's actually been able to get into the car.

The Cavaliers, for instance, all have side profile cut keys, with equally ingenious locks.

Giving our hero the not so simple task of discovering the 1 in 2,000 combinations needed to open the door.

He'll also discover that, along with the special keys, the Cavaliers, Carltons and Senators have deadlocks.

So even if he resorts to using the old half-brick, he still couldn't lift the lock button to open the door.

And to make his life even more difficult, accessories include security alarms, glass etching and locking wheel nuts.

All of which has helped us win the very first annual (take a deep breath) Anti-Theft Award from the British Vehicle Rental and Leasing Association.

An award decided by an august panel of legitimate security experts.

Including a couple of senior police officials.

It's a commendation we are, of course, exceptionally pleased to receive.

Almost as pleased in fact, as hearing our friend above describe Vauxhalls as "totally *†@*! useless wastes of time."

Now that's high praise indeed.


VAUXHALL. ONCE DRIVEN, FOREVER SMITTEN.

VAUXHALL IS BACKED BY THE WORLDWIDE RESOURCES OF GENERAL MOTORS. DEADLOCKS ARE AN OPTIONAL EXTRA ON THE CAVALIER BASE MODEL.

What a year that was

IN 1988 the world economy threw a surprise party, in welcome contrast to its behaviour in 1987. But pity poor Nigel Lawson. Just as everyone else was getting into the swing, he has had to cope with the UK's all too familiar hangover.

1987 was a roller-coaster year, starting and ending with a falling dollar. The first period of decline resulted in February's Louvre Accord among the Group of Seven industrial countries, which was followed by enormous central bank support for the dollar.

Thereupon, the stock markets of the world crashed. It is unclear even now whether this was because of the foreign exchange intervention, the threat of its termination (following the row between Mr James Baker, then US Treasury Secretary, and the German authorities), or for some other reason altogether. The crash, in turn, precipitated a loosening of global monetary policy and yet another dollar slide, so bringing a suitable end to a turbulent year.

With everyone brushing up on their history of 1929, the general view last January was that 1988 would be, at best, a year of poor performance and, at worst, one of serious financial disruption. But how delightfully wrong the soothsayers have turned out to be on all counts.

Better than expected
While the expectation was that the economies of the industrial countries would expand by perhaps a little over 2 per cent, the achievement has been more like 4 per cent. Meanwhile, there has been little cause for currency intervention, the dollar rising by 11 per cent (on the Bank of England's effective rate index) between the end of December 1987 and the beginning of September 1988. Since then it has weakened again, but it remains higher than a year ago.

The external adjustment has not gone too badly either. In constant 1983 dollars, the US deficit on goods and nonfactor services has shrunk from \$155bn in 1987 to an annualised rate of \$116bn in the third quarter of 1988. The Japanese and West German surpluses appear little changed, but this is partly because they are usually measured in dollars. In the case of Japan, for example, the surplus has fallen from 4.4 per cent of gross national product in 1986 to 3 per cent in the first half of 1988.

Perhaps most encouraging of all, according to the OECD, in 1988 the volume of non-residential gross fixed investment is thought to have grown by 7.4 per cent in West Germany, by 9.4 per cent in the US, by 13.4 per cent in the UK and by no less than 16.4 per cent in Japan. Inflation is rearing its head a little, but the monetary caution of major countries is encouraging. Given that caution and growing productive capacity as well, sustained growth may well be possible for many years.

Markets encouraged
What have the stock markets made of this cornucopia of good news? For the most part, they have been rather encouraged. The Financial Times-Actuaries World Index (in dollars) is 21 per cent up on the year and 29 per cent up on post-crash lows; for Japan the local currency index is up no less than 41 per cent on the year; in West Germany the local currency index is up 81 per cent; while even in the US it is up 7 per cent. Meanwhile, the hapless UK index is unchanged over the year, though at least 16 per cent above post-crash lows.

Whatever one may think of their performance in 1987, the stock markets seem to have been pretty sensible in 1988. Investors were quite right to believe that the good performance of the US and UK in 1988 was less solidly based than that of West Germany, let alone Japan. While the latter two countries could well sustain relatively rapid growth for some time, a sharp slowdown is possible in the US and probable in the UK, both of which suffer from inflationary pressure and substantial external deficits. Stock prices still look vertiginous in Japan and at bargain basement levels in West Germany, but their relative positions have not grown any more unreasonable over the last 12 months.

A condescending grin stared from the cover of almost every US business publication this autumn. "King Henry" Kravis, the small Napoleon figure with the giant ego, the emperor of leveraged buyouts, Wall Street's most powerful and arrogant financier since J.P. Morgan, had finally, said his critics, overstepped the mark.

Kohlberg Kravis Roberts, the small investment firm which Mr Kravis started 12 years ago with his cousin George Roberts and their now-retired senior partner, Jerome Kohlberg, had virtually invented the leveraged buy-out - the incredibly powerful financial technique by which pools of investors use borrowed money to buy enormous companies with very little cash. But with last month's buyout of RJR Nabisco, America's second-biggest tobacco and food company, KKR had seemingly gone too far.

This deal was double the size of any previous takeover. It lifted to more than \$50bn the combined annual turnover of the 30-odd companies KKR owned. That made the firm, with only 50 full-time employees, including secretaries and filing clerks, into the fifth largest business conglomerate in America, ahead of Mobil Oil and just behind IBM. The four weeks of feverish bargaining almost promised to generate almost \$1bn in banking and legal fees for Wall Street - more than the annual gross national products of Malawi or Sierra Leone.

Whatever its financial benefits, the takeover battle produced great public relations damage. By pitting KKR against Nabisco's own management this contest created an open season for disparaging rumours and ruthless ad hominem attacks. The one that hurt most was the report that Mr Kravis had threatened Nabisco's management with a fight to the death: KKR would protect its "franchise" over multi-billion dollar LBOs regardless of the cost to itself, Nabisco, the financial markets or anything else that got in the way.

The suggestion that he made the franchise comment was "absolutely insulting," says Mr Kravis a month later. "How can we have a franchise, when firms like Merrill Lynch or Morgan Stanley are doing billion dollar LBOs all the time? We see every deal that goes by and we pass or get outbid on most of them. If one turns out to be a bonanza for a Merrill or a Morgan, I say God bless them."

Much of the outside world continues to suspect, however, that the Nabisco battle was largely a personal contest between two egomaniacs: Mr Kravis and Mr Ross Johnson, the tobacco company's former chief. Largely for this reason, a half-dozen Congressional committees have already announced special investigations of the leveraged buyout frenzy and even some of KKR's own institutional investors have started complaining about the new aggressiveness of LBO tactics.

It is hardly surprising, then, that Mr Kravis and Mr Roberts now express deep embarrassment about the publicity surrounding their audacious dealmaking - or that Mr Kravis agreed to be interviewed for this article only on condition that Mr Roberts, his partner, had an equal say.

What is surprising, considering all the reports about the giant Kravis ego, is that the feature the two men have in common is a courteous, even gentle, personal manner that could almost be described as self-effacing. Mr Roberts, 45, and Mr Kravis, 44, are first cousins. They went to college together in California and roomed together in New York as young Wall Street trainees. Mr Roberts now lives and works in San Francisco, along with about half of KKR's employees. But such is the rapport between the cousins that two interviews conducted separately with them 2,500 miles apart read like a single conversation with one person. "I think we're pretty interchangeable," explains Mr Roberts disarmingly. "It's like having

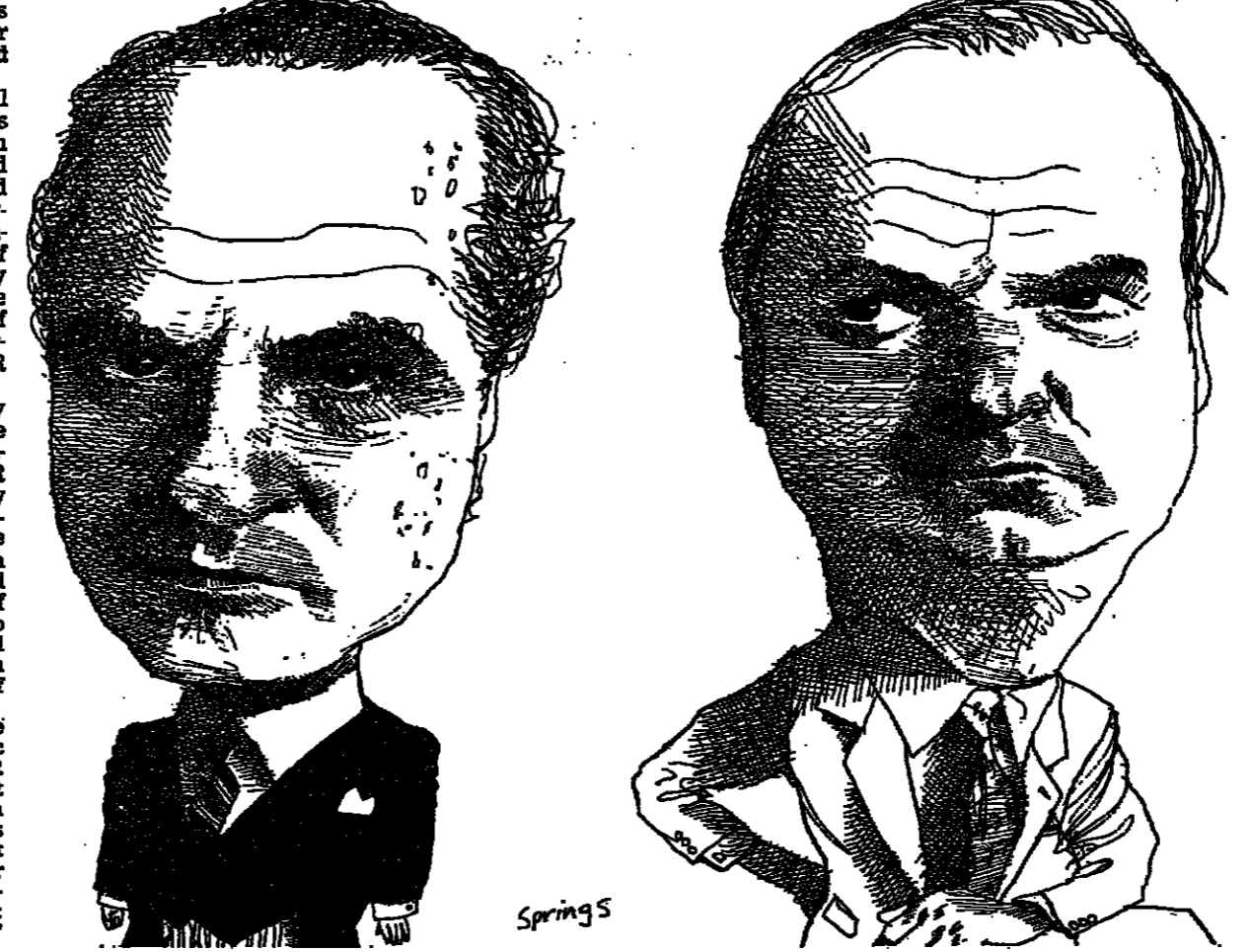
two heads instead of one." Their personal lives do differ. While Mr Roberts hates New York and keeps to himself in California, Mr Kravis has earned a certain celebrity as a big party giver and fund-raiser on the Fifth Avenue social circuit. But for two people who have accumulated so much power and wealth so quickly (their personal assets are said to be around \$400m each) both cousins are discreet both in their lifestyles and their intellectual pretensions.

They rarely pontificate about managerial decadence or make grandiloquent claims about reversing America's industrial decline, in the style of corporate raiders like T. Boone Pickens, Carl Icahn or Donald Trump. Indeed, KKR makes a point of never buying into "troubled companies" or "turnaround situations". "We are purely financial types, not managers. We take a well-managed business with good growth prospects and give it a new capital structure that allows it to gain in value and also to grow," Mr Roberts says.

Naturally, both Kravis and Roberts believe that leveraged buyouts tend to increase efficiency by forcing companies to cut unnecessary costs and giving managers equity incentives. But they are no crusaders. Essentially, they are just supreme technicians. For them a leveraged buyout is like a pulley or a screwdriver - a simple but brilliantly effective tool with an infinite variety of uses. What marks them out from other dealmakers is certainly not charisma and probably not greed or naked ambition. Rather, it seems to be their persistence, encyclopaedic attention to detail and confidence in the adaptability of the leveraged buyout technique.

MEN OF THE YEAR

HENRY KRAVIS GEORGE ROBERTS



Leading the rush to leverage

The figure dominating the headlines in 1988 has been Mr Mikhail Gorbachev, whose role in the new Russian revolution is described opposite. In the business sphere, however, the most striking figures are two men who took the art of borrowing to new heights, as Anatole Kaletsky and James Buchan report

portfolio is concerned, Mr Roberts claims to be confident. "In every deal we do, we look at how the company performed in the last recession and make sure that our capital structure would enable us to get through something like that in the first two years of the LBO," he says. KKR's worst-case projections also consider an inflationary scenario with interest rates rising four percentage points above current levels.

RJR Nabisco, because of its gargantuan size, was a particularly clear example of financial caution, Mr Kravis claims. The cash-rich tobacco business had "the best economic characteristics for an LBO you could imagine." But KKR wanted to give itself maximum flexibility in operating the company, partly because it did not want to be forced into selling all the food businesses and being left locked into tobacco, which Mr Kravis sees as a "classic declining industry." The firm also felt that "we couldn't afford - and the whole system couldn't afford - any hiccup in a financing of this size." What KKR therefore did was to make Nabisco shareholders accept a large part of the payment for their company in non-cash securities.

While KKR agreed to buy Nabisco for \$106 a share (a total of \$25bn), only \$81 a share (\$19bn) of this was payable in cash. The other \$26bn is to be paid in preferred stock and debentures which bear no cash interest for five years. By next year, after another issue of deferred-interest junk bonds, nearly \$10bn of Nabisco's \$25bn purchase price will have been turned into securities which require no cash interest payments for five years.

Of course, some people point to precisely this kind of prestidigitation as one of the symptoms of the speculative fever on Wall Street. Deferred-interest bonds are almost as risky as equity, yet they will only share in any profits generated by the Nabisco buyout to a very limited degree. Mr Theodore Forstmann, the head of America's second biggest buyout firm, Forstmann Little, and an outspoken critic of many of KKR's practices, argues that using deferred-interest bonds to raise the bidding for an LBO is "like doubling your money by folding the dollar bill in half."

But KKR's skills in putting together huge packages acceptable to the financial markets are what Mr Kravis sees as the firm's biggest competitive advantage. The potential profitability of buyouts is declining as more and more money chases the limited number of deals available, he says. "The competition is most intense for smaller deals, which are easier to finance. There will always be fewer competitors for the big buyouts we can finance and the margins may not be squeezed so much."

But with the buyout funds still flush with money and the first \$20bn deal now completed, what is the next frontier? Mr Kravis does not believe that giant LBOs like RJR Nabisco will ever become commonplace, even after the uproar in Congress subsidies, as he soon expects. He says that he would love to buy a company in the UK or Europe, but finds that the markets in London are "at least five years behind" New York's in their attitudes to LBOs.

He notes numerous obstacles to large-scale LBOs in Britain: high interest rates, restrictive rules on takeover financing and investment institutions which are uneasy about public companies going private. He also says that Britain's accounting rules are generally "much more sensible," especially in their treatment of goodwill - which means that fewer public companies are undervalued by the stockmarket. Finally, Mr Kravis sighs, there is a big psychological hurdle. "Some institutions in Britain simply say - why should we back these managers to get rich? And that, after all, is the essence of the American-style LBO."

Tony Walker reports from Cairo on difficulties facing President Mubarak

When the US dramatically abandoned its longstanding refusal to talk to the PLO, Egypt was among several third parties to be given credit for bringing about the fundamental shift. Weeks and months of patient and skilful Egyptian diplomacy had paid off.

Growing sense of crisis over Egypt

Never ones to minimise international success, the Egyptians, through their official press, heralded the achievement as a vindication of Egypt's decision to make and persist with peace with Israel. Camp David may be all but dead, but peace survives and Egypt is on the verge of a formal return to the Arab League from which it was ousted after signing the 1979 treaty with Israel.

The international tide is drifting in Egypt's favour. But domestically the country is beset by conflicting currents. Egypt is entering the New Year in a state of deep uncertainty, even paralysis.

Dr Ismail Sabri Abdallah, a leader of the leftist Tugamun party, describes the affliction as "crisis of governance." The most visible manifestation is the collapse of the economic reform programme.

There appears to be a yearning in the country for stronger and more decisive hand on the controls, after what is regarded as a long interregnum under President Hosni Mubarak, who took over in 1981 on the assassination of Anwar Sadat. But a persistent fear is that if there were to be change it would take a democratic form. Egyptians sense that a crisis looms, as they survey the country's economic problems and the incipient challenge from Moslem extremists.



President Hosni Mubarak: diplomatic advances will not avert problems at home indefinitely

waiting to be filled. There appears to be a yearning in the country for stronger and more decisive hand on the controls, after what is regarded as a long interregnum under President Hosni Mubarak, who took over in 1981 on the assassination of Anwar Sadat. But a persistent fear is that if there were to be change it would take a democratic form. Egyptians sense that a crisis looms, as they survey the country's economic problems and the incipient challenge from Moslem extremists.

Recent disturbances in the Cairo suburb of Ain Shams (in which a policeman and three activists were killed) were a reminder that while the government has been relatively successful in restraining the fundamentalists recently, the cauldron still bubbles. Present continued achievements on the diplomatic front will help to offset the internal crisis, but it is unlikely that this balance can be preserved indefinitely.

aid. Several billion dollars from many different donors await disbursement. Cairo's antagonism towards the IMF - Mr Mubarak recently likened the Fund to a "quack doctor" - and the apparent erosion of its commitment to economic reform, has prompted thought in Western circles of formulating a G7 (the seven major industrialised countries) initiative to "help the country help itself." But such is the negative experience of many of those who have tried to assist that there is no confidence that such an initiative would make much impact.

The IMF in its latest report, advised that there was a need for a comprehensive economic programme. "Delaying adjustment," it added, "might very well be more costly subsequently in economic and social terms as it could necessitate even stronger and less socially acceptable actions."

Egypt's parlous economic state and the accompanying threat of social unrest puts a high premium on progress in its reconciliation with fellow Arab states and towards Middle East peace in which it needs to be a prominent player. This would both demonstrate to Egypt's Western friends that it remains a "suppliant with influence", and to its impoverished and rapidly multiplying population - now \$2m and set to double in the next 25 years - that it counts for something in the world.

Oh well, YOU CAN BE SURE OF SHELL



UK COMPANY NEWS

Lone wolf is the stuff of American dreams

Daniel Green profiles David Geffen who has taken a stake in Chrysalis

MR DAVID GEFFEN, US record producer turned media mogul, who this week revealed an 84 per cent stake in Chrysalis, the troubled record company, is a showbiz veteran.

As the music business matured into the music industry, Geffen-Roberts moved into the big league. Their break came with Crosby, Stills, Nash and Young.



Debbie Harry: Geffen co-produced last solo album

Warner. Mr Geffen once estimated that an early film collaboration, Risky Business, made more than \$20m for Warner.

Other film credits as executive producer include The Little Shop of Horrors and one of 1988's big pictures, Beethoven. He also produced the musical Dreamgirls on Broadway and was involved in the US production of Cats.

London Shop

London Shop said the cash and loan note alternative offers from Peel Holdings will remain open until January 12.

John Williams

A much better second half enabled John Williams of Cariff to contain its losses to £618,000 for the year ended September 30 1988.

Stavert Zigomala

Stavert Zigomala, wholesaler and retailer of furniture and carpets, saw a reduction in pre-tax profit from £34,000 to £27,000 in the half year ended September 30 1988.

Leucadia bid 'only solution for Cambrian'

By David Waller

LEUCADIA National Corporation, New York financial services group, yesterday revealed its reasons for believing its \$67.5m offer for Cambrian & General Securities is the best solution for shareholders in the investment trust.

The US investment house argued however that its offer was the only realistic way to realise the value locked up in Cambrian.

It goes on to criticise Cambrian for giving no commitment to liquidate itself by a particular date, providing no evidence of the company's progress in resolving problems with the Inland Revenue in the UK and litigation in the US.

provision for any contingent liability. To Leucadia's main points, Cambrian replied yesterday that there was no practical possibility of liquidation for at least five years.

Hammerson Prop urges rejection

Hammerson Property Investment and Development Corporation, fighting a £1.3bn takeover bid from Rodacom, urged shareholders to continue to ignore the Dutch company's offer.

ECC sells stake in Watts

By Clay Harris

ENGLISH CHINA Clays, industrial minerals and construction group, is to sell its 20.8 per cent stake in Watts Blake Bearn, Devon-based producer of ball and china clays, to two continental European companies for £13m cash.

WBB, which achieved pre-tax profits of \$6.52m on turnover of £38.3m in 1987, extracts and processes clays in West Germany as well as in Devon.

had appeared to be little prospect of its being allowed to increase considerably its stake in WBB because the two UK companies compete in various markets.

Lex Service

Lex Service has acquired Spruce Ford, a Ford main dealer in Norwich, for £2.3m, and the assumption of £1m borrowings.

Court action hits XCL shares

By Clay Harris

SHARES IN the Exploration Company of Louisiana (XCL), US oil and gas operator, fell 15p to 82p yesterday after Mr Marsden Miller, its chairman and chief executive, was indicted on one count of conspiracy and four counts of mail fraud by a grand jury in Baton Rouge, the Louisiana state capital.

Also indicted on Thursday, on one count of conspiracy and five counts of mail fraud, was Mr William Huls, a former chairman of the company and former as well as in Devon.

The indictment, XCL said, was based on the same facts and circumstances which formed the basis for Mr Miller's trial and conviction in 1987, which was subsequently reversed on appeal.

Allied Entertainment's Piccadilly stake

By Fiona Thompson

ALLIED ENTERTAINMENT Financial Services, the investment division of the Allied Entertainment Group, a privately-owned entertainment and media services group, is to acquire 281,860 "A" ordinary shares which are being acquired from Virgin Vision.

Allied is currently providing the cash resources in respect of the ordinary non-voting shares being offered by Piccadilly in its recommended offer for Midlands Radio, which was announced last week.

Sanderson loan letter for General Automation

By Clay Harris

Sanderson Electronics, USM-quoted supplier of computer hardware and software systems, has signed a non-binding letter of intent to make a secured loan of \$1.75m (£680,000) to General Automation, a financially troubled US competitor.

Both companies specialise in the Pick database management system. General Automation has a much larger turnover - \$50m compared with \$7.8m in the companies' most recent year - and a diversified geographical base in contrast with Sanderson's nearly total dependence on the UK market.

MONTHLY AVERAGES OF STOCK INDICES

Table with columns for Dec, Nov, Oct, Sept and rows for Financial Times, Government Securities, Fixed Interest, Ordinary, Gold Mines, FT-SE 100, etc.

Humberside in £8m reverse takeover

By Clay Harris

HUMBERSIDE Electronic Controls, USM-quoted rebuilder of numerically controlled machine tools, plans to pay £8m in shares for Audit & General Holdings, a privately owned commercial property developer and investor.

Banner's offer for Avdel lapses but still holds 42.7%

By Clay Harris

TIME RAN out yesterday for Banner Industries' £12m hostile bid for Avdel, fasteners group. The US engineering company lapsed its 8p-a-share cash offer after failing to attract sufficient acceptances to lift its interest to 50 per cent.

Texttron's present bid can run as late as February 21, by which time it hopes that Banner's holding costs, estimated at 1p per share per month, will encourage it to give in.

The outcome had been expected since Texttron, US conglomerate, emerged as a "white knight" earlier this month with a 92p offer, which was the backing of 27 per cent of the voting rights and also of a large block of institutional shareholders.

Cater Allen plans to run Worldwide Unit Trust

By Nick Bunker

CATER ALLEN Holdings, the discount house, fund manager and Lloyd's underwriting agency group, plans to take over the running of the Worldwide Unit Trust because its current manager, Commonwealth Securities, has to relinquish control.

Investment Management, an associate company of Panmure Gordon, the stockbroker, and the trust has been marketed until now to the firm's private clients.

Cater Allen said this would be effected under a scheme of amalgamation in which unitholders in Worldwide would receive new participating shares in the Cater Allen offshore fund.

Maxiprint losses increase

PROBLEMS with expanding production and the need for modifications to a new product were blamed by Maxiprint, USM-quoted maker of photographic equipment, for an increase in pre-tax losses from £87,000 to £225,000 for the year to May 31.

Discussions were under way. During the year the group concentrated on its new ten-light machine but after the introduction of pre-production models it was realised that modifications would be needed.

Provident Financial £13m HP purchase

Provident Financial is extending its range of services into hire purchase finance with the acquisition of Eyringham Holdings for £13.5m cash.

CORRECTION

Belhaven The chart which illustrated the article on Belhaven in Thursday's edition inadvertently transposed the dates of Mr Raymond Miquel's arrival and departure as chairman. He joined the group in September 1986 and resigned two years later.

SHARE STAKES

Johnston Group - Mr Richard F.C. Gray has acquired 449,523 ordinary and now holds 529,588 (5.13 per cent). The shares acquired were transferred from the estate of Mr Gray's deceased wife.

LONDON RECENT ISSUES

Table with columns for Issue, Price, and Stock names like Anglo Metals Ltd, Anglo-Water Products, etc.

FIXED INTEREST STOCKS

Table with columns for Issue, Price, and Stock names like National Westminster Bank, etc.

RIGHTS OFFERS

Table with columns for Issue, Price, and Stock names like Anglo-Water Products, etc.

TRADITIONAL OPTIONS

Table with columns for Issue, Price, and Stock names like Anglo-Water Products, etc.

مكازم الاجل

MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Friday December 30 1988, Highs and Lows Index, 1988, and Shares Completion. Includes sub-sections like CAPITAL GOODS, BUILDING MATERIALS, etc.

Table with columns: FIXED INTEREST, AVERAGE GROSS REDEMPTION YIELDS, and FT-100 SHARE INDEX. Includes sub-sections like BRITISH GOVERNMENT, FOREIGN GOVERNMENT, etc.

Table with columns: BASE LENDING RATES, listing various banks and their rates for different terms.

ECONOMIC DIARY

TODAY: Deadline for European Community members to implement a land set-aside scheme... WEDNESDAY: UK official reserves (December). Capital issues and redemptions (December).

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Red Date, Price, Change, Yield, Week age, Month age. Lists UK GILTS, US TREASURY, JAPAN, GERMANY, FRANCE, CANADA, NETHERLANDS, AUSTRALIA.

BASE LENDING RATES

Table with columns: Bank, Rate, listing various banks like ABN Bank, Adnan & Company, etc.

There is no European Traded Options table because of a market holiday in the Netherlands

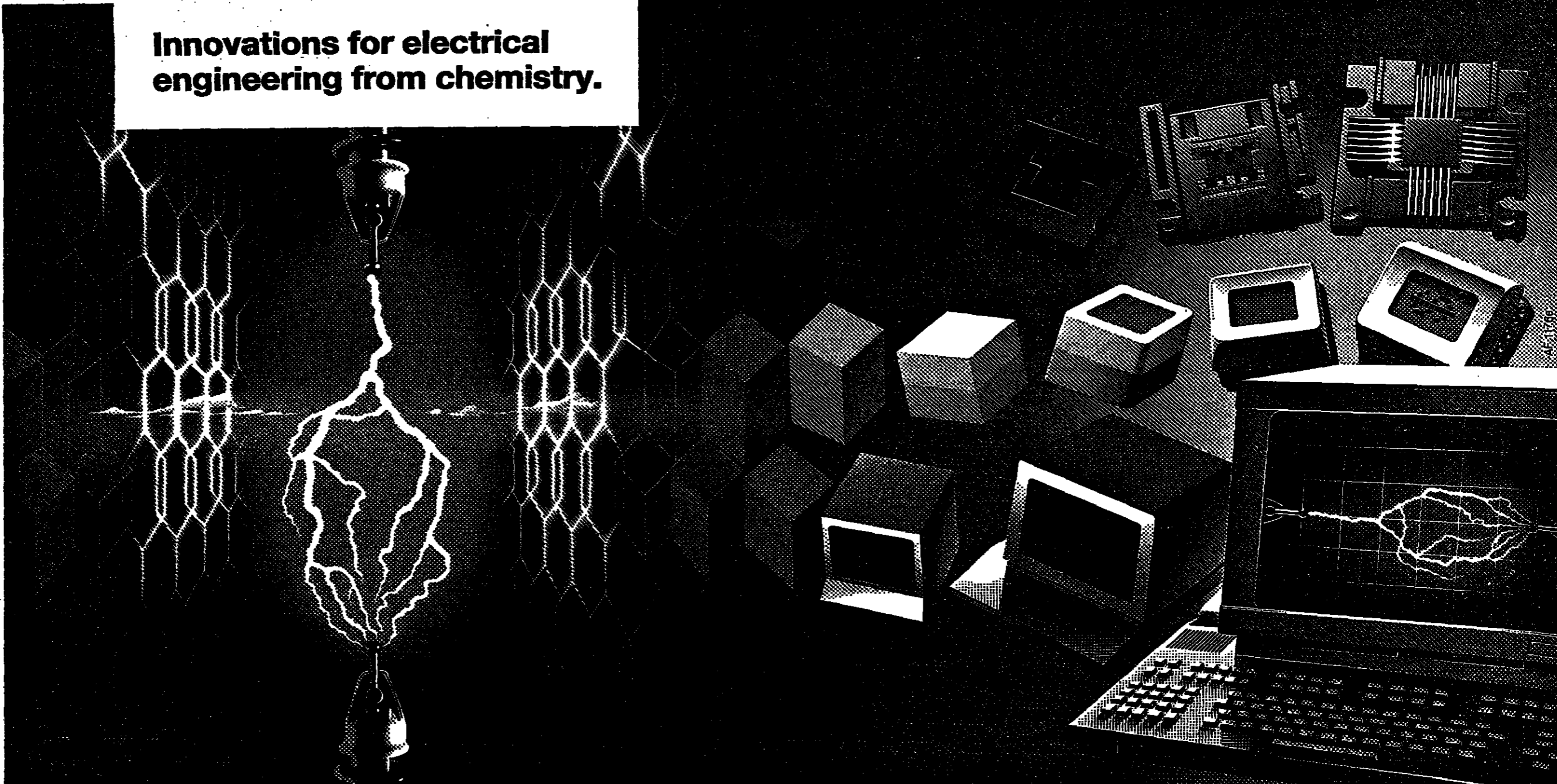
WALL STREET REPORT 0898 123020

FT Cityline Wall Street Report is compiled with all the expertise and authority you would expect from the Financial Times. The report is updated hourly from when the market opens, up to and including a closing market report at 10.00pm (London Time).

Advertisement for FT Cityline Wall Street Report, including a graphic of a person and text about service and charges.

COMMERCIAL PAPER

The Financial Times proposes to publish this survey on: 31st January 1989. For a full editorial synopsis and advertisement details, please contact: David Reed on 01-248 8000 ext 3461.



Innovations for electrical engineering from chemistry. Clearly, the products of electrical engineering are in the forefront of progress. But new developments in the industry call for even greater innovation. Especially in the miniaturization of appliances, in the creation of components able to withstand extreme stresses and in the need for increased safety and cost-effectiveness in production.

Which brings us to BASF. We are working with the industry to help meet its many challenges. For example, electrically conductive plastics will provide new stimuli in storage battery technology. And, conversely, chip carriers, produced from special polyamides, protect sensitive electronic components against electrostatic charges.

The Spirit of Innovation. BASF

INTERNATIONAL COMPANIES AND FINANCE

Bail-out of 12 further Texas thrifts agreed

By Janet Bush in New York
THE SALE of 12 more insolvent Texas thrift institutions has been agreed, bringing savings bank bail-outs by the US Government this week...

Groupe Bull lifts stake in Honeywell joint venture

By Alan Cane
GROUPE BULL, the Paris-based information technology company, has taken a majority stake in Honeywell Bull, the computer systems operation...

Citroën en route for 25% rise in output
Xavier Karcher outlines to Kevin Done the Peugeot division's plans for expansion

Citroën, a division of the Peugeot group, the French automotive concern, is to increase production capacity by 25 per cent in the next four years.
In an interview with the Financial Times Mr Xavier Karcher, Citroën vice chairman and chief operating officer, said Citroën was planning to raise production of cars and car-derived vans from 3,400 vehicles a day (765,000 a year) at present to 4,200 vehicles a day (945,000 a year) by the end of 1992...



Xavier Karcher aims for common components in Citroën and Peugeot cars, as in the AX

Citroën will lead the assault next year with the launch of a new top-of-the-range car, to be called the XM which will replace its outdated CX launched originally in 1974. The XM will feature futuristic styling and will take Citroën into new technical areas particularly in the field of electronics.
It is expected that the XM will be followed about six months later by the launch of a new Peugeot top-of-the-range car, probably to be called the 605, to replace the existing 505 and fill the gap left by the earlier withdrawal of the bigger 604 executive car.
The Peugeot group is unique among the big six volume car makers in West Europe in having two car marques competing in all the main segments of the European market from superminis to executive saloons. Citroën accounts for about 37 per cent of total Peugeot group European car sales.
The Peugeot group has emerged as the fastest-growing volume car maker in Europe in the last two years with an increase of around 11 per cent in sales in 1988 and a current market share of some 12.5 per cent.
Its main success has been gained in the supermini (Peugeot 205 and Citroën AX) and upper medium (Citroën BX and Peugeot 405) segments, but the group is poised to extend its attack into the executive car market in 1989.
Citroën will lead the assault next year with the launch of a new top-of-the-range car, to be called the XM which will replace its outdated CX launched originally in 1974. The XM will feature futuristic styling and will take Citroën into new technical areas particularly in the field of electronics.

get had been unable to meet demands in 1988.
In the last two years Citroën had increased production by 28 per cent to 802,000 vehicles (of which 685,000 cars) and had raised sales by 24 per cent. Some 58 per cent of output was exported. In 1988 alone output had risen by 43 per cent and sales by 8 per cent.
In France Citroën's sales had increased by only 2.2 per cent in 1988 to 268,500, said Mr Karcher, giving a 12.3 per cent market share, but sales in the rest of West Europe had jumped by 12.7 per cent despite an 11 per cent fall in West Germany, and were 29 per cent higher than in 1986. Sales in West Germany have been hit by the decline in diesel sales, the late availability of catalyst equipped cars and problems with the dealer network.
The biggest gains this year had been achieved in the US with a jump of 40 per cent and in Spain with an increase of 49.9 per cent. Next year Citroën is forecasting a further 12 to 18 per cent increase in UK vehicle sales to 80,000 units (77,000 cars) from 71,000 (68,000 cars) in 1988, despite a decline in diesel sales, the late availability of catalyst equipped cars and problems with the dealer network.
Mr Karcher said that Citroën's car sales had risen by 8 per cent overall in West Europe to 626,000 units with car and commercial vehicle sales totalling 782,000 units.
Citroën was also seeking to increase its sales in the Far East, and had a near-term aim of selling 10,000 cars a year in Japan following the signing of a distribution agreement with Mazda, the Japanese automotive group.
Mr Karcher said that Citroën had increased its capital investment in 1988 by 11 per cent to FF150m (\$21.7m), while productivity had risen by 9 per cent.

Maclean to sell radio and TV properties

By Robert Gibbins in Montreal
MACLEAN HUNTER, Canada's largest communications group, plans to reconquer C\$217m (US\$182m) of the C\$594m it paid for Selkirk Communications, another media company.
Subject to regulatory approval, Maclean is selling several of Selkirk's radio and television properties in Western Canada to WIC Western International Communications. The C\$217m cash price is considerably more than industry analysts had expected.
Maclean is likely to sell off further Selkirk assets to meet regulatory requirements but keeping its core radio and TV business.

Venezuelan oil group sees \$8.2bn exports

By Joseph Mann in Caracas
PETROLBOS de Venezuela (PDVSA), the country's national oil company, has estimated that its export revenues for 1989 will reach US\$8.2bn and that its net profit for the year will be around 19bn bolivars (\$1.5bn).
PDVSA, Venezuela's largest company and the main source of export income for the nation, reported net profits of \$1.4bn in 1987.
The company plans to invest \$3.2bn in new petroleum and petrochemical projects next year.
In a preliminary assessment of this year's results, Mr Juan Chacín, PDVSA president, said that Venezuela's proven reserves of crude oil stand at more than 58bn barrels, about the same as a year ago. This means that Venezuela ranks fourth worldwide in proven oil reserves among countries outside the centrally-planned economies, according to Mr Chacín.
He added that if the country's "enormous resources" of bitumen and extra heavy crude oil in the Orinoco Belt are taken into consideration, Venezuela probably would be in first place. Hydrocarbon reserves in the Orinoco Belt are estimated by PDVSA at 2,800bn barrels, he said.
Venezuela exported 1.62m barrels per day of crude oil and refined products in 1988 at an average price of \$13.42 per barrel. After discounting operating expenses, the state oil company will pay the government around \$6.3bn in taxes and royalties this year, Mr Chacín said.
Mr Julio Cesar Gil, Minister of Energy and Mines, announced that Venezuela plans to produce an average of 1.64m b/d of crude oil in 1989 and export 1.59m b/d. Venezuela's average export price for petroleum in 1989 is estimated at \$15 per barrel.
Péquiven, a PDVSA petrochemical subsidiary, has signed a letter of intent with a German-Venezuelan consortium covering the construction of a large olefins plant to be located in Péquiven's El Tabazo petrochemical complex in the western state of Zulia.
Members of the consortium are Linde, Ferrostaal and DSD.

FN wins backing for capital reshuffle

By Tim Dickson in Brussels
FABRIQUE Nationale (FN), the troubled Liège-based armaments group, yesterday received the backing of its shareholders for a restructuring plan to bring BFR7.4bn (\$197.3m) of new capital to the company.
The recapitalisation proposals were announced last month but ran into controversy over the proportion of the issue reserved for holders other than Société Générale de Belgique, FN's majority shareholder. La Générale's 55 per cent stake is shortly to be raised to around 70 per cent under the terms of the rescue.
At an extraordinary meeting yesterday shareholders gave their backing to capital increases which include amounts of just over BFR9bn from La Générale and up to BFR1.92bn from other existing shareholders and warrant holders, a figure which had earlier been fixed at a maximum of BFR1bn. The issue price for the new shares was BFR500.
After the recapitalisation and accompanying debt write-offs FN said it has shareholders' funds of BFR1.28bn, net debt of BFR13.29bn and a balance sheet total of BFR18.59bn.
Mr Marcel Goblet, FN president, said profits in 1989 ought to be "moderately positive" - but that this forecast remained subject to "the risks of the marketplace." Turnover for next year was in large part guaranteed but the levels for 1990 and 1991 would be "affected by the same uncertainty that hangs over the profits for these years."

Wessanen net income forecast to top F1 90m

By David Brown in Amsterdam
WESSANEN, the Dutch foods group which has substantially built up its production and distribution network in the US, expects 1988 net income to exceed F1 90m (\$44.6m). This compares with the F180.2m achieved last year.
The company said preliminary earnings per share would rise to at least F1 5.50 from F1 5.37. Turnover was likely to be barely changed at F13.7bn, with half being generated in the US. The full effect of acquisitions late in 1988 should bring this figure up to F14bn in the year which is about to start, officials indicated, with a further increase in profitability.

WORLD COMMODITIES PRICES

Table with 4 columns: Commodity Name, Price, Change, and Unit. Includes sections for Weekly Price Changes, Spot Markets, COCOA, POTATOES, SOYABEAN MEAL, FREIGHT FUTURES, GRAINS, and SUGAR.

LONDON METAL EXCHANGE

Table with 4 columns: Metal Name, Price, Change, and Unit. Includes Aluminum, Copper, Lead, Nickel, Zinc, and Tin.

SOYABEAN MEAL

Table with 4 columns: Soyabean Meal Name, Price, Change, and Unit. Includes various grades of soyabean meal.

GRAINS

Table with 4 columns: Grain Name, Price, Change, and Unit. Includes Wheat, Barley, and Rye.

US MARKETS

Table with 4 columns: Market Name, Price, Change, and Unit. Includes Heating Oil, COCOA, SOYABEAN MEAL, COPPER, and SUGAR.

CRUDE OIL

Table with 4 columns: Crude Oil Name, Price, Change, and Unit. Includes various grades of crude oil.

INDICES

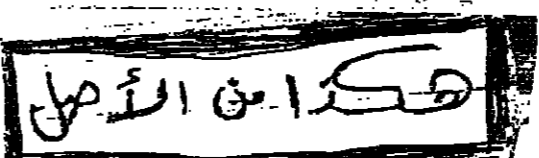
Table with 4 columns: Index Name, Value, Change, and Unit. Includes Dow Jones Industrial Average and S&P 500.

CHICAGO

Table with 4 columns: Commodity Name, Price, Change, and Unit. Includes Soyabean Meal, Orange Juice, and Cotton.

INTERNATIONAL RESIDENTIAL PROPERTY

Advertisement for International Residential Property, advertising advertising services in the weekend for every Saturday.



هكذا من الأصل

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar ends on weaker note

THE DOLLAR fell quite sharply in thin trading yesterday, following comments by Mr Helmut Schlesinger, vice president of the West German Bundesbank, stressing the Bank's displeasure over the dollar's recent rise.

News of a 0.3 p.c. decline in US leading economic indicators in November was much in line with expectations, and had little effect on the US unit.

The dollar closed at DM1.7740, down from DM1.7890 and Y125.00 compared with Y125.50. Elsewhere, it slipped to SFR1.5225 from SFR1.5340 and FFfr.1075 compared with FFfr.1075.

On the old calculation, the index finished at 77.7, up from 77.5 at the close of the day on Thursday. Oil basis figures will be longer calculated.

The pound closed at \$1.8090, up from \$1.7900 and DM3.2000. It was also higher against the yen at Y226.00 from Y225.25. Elsewhere, it finished at SFR2.7175 from SFR2.7100 and FFfr.10.9575 compared with FFfr.10.9200.

Meanwhile, the French franc traded nervously against the D-Mark in very thin trading. The French unit is unlikely to come under too much pressure as long as the strength of the dollar continues to depress the D-Mark.

However, a renewed dollar decline in the New Year could increase the possibility of a realignment within the EMS.

Table with columns: Dec. 30, Latest, Previous. Rows include US Dollar, Sterling, Swiss Franc, etc.

Table titled 'POUND SPOT-FORWARD AGAINST THE POUND' with columns for Dec. 30, Day's spread, Close, One month, etc.

Table titled 'DOLLAR SPOT-FORWARD AGAINST THE DOLLAR' with columns for Dec. 30, Day's spread, Close, One month, etc.

Table titled 'STERLING INDEX' with columns for Dec. 30, Previous. Rows include All-sterling, All-foreign, etc.

Table titled 'CURRENCY RATES' with columns for Dec. 30, Bank rate, Spot, etc.

Table titled 'CURRENCY MOVEMENTS' with columns for Dec. 30, Bank of England, etc.

Table titled 'OTHER CURRENCIES' with columns for Dec. 30, £, \$, etc.

Table titled 'FORWARD RATES AGAINST STERLING' with columns for Spot, 1 month, 3 months, etc.

Table titled 'EMS EUROPEAN CURRENCY UNIT RATES' with columns for Dec. 30, Exchange rate, etc.

Table titled 'EURO-CURRENCY INTEREST RATES' with columns for Dec. 30, Short term, 7 days, etc.

Table titled 'EXCHANGE CROSS RATES' with columns for Dec. 30, £, \$, DM, etc.

Table titled 'MONEY MARKETS' with columns for Dec. 30, 3 months, 6 months, etc.

Table titled 'FT LONDON INTERBANK FIXING' with columns for Dec. 30, 3 months US dollar, 6 months US dollar, etc.

Table titled 'LIFFE LONG GILT FUTURES OPTIONS' with columns for Dec. 30, Call, Put, etc.

Table titled 'LIFFE US TREASURY BOND FUTURES OPTIONS' with columns for Dec. 30, Call, Put, etc.

Table titled 'LIFFE FT-SE INDEX FUTURES OPTIONS' with columns for Dec. 30, Call, Put, etc.

Table titled 'LIFFE 4% OPTIONS' with columns for Dec. 30, Call, Put, etc.

Table titled 'LIFFE EUROBOND OPTIONS' with columns for Dec. 30, Call, Put, etc.

Table titled 'LIFFE SHORT STERLING' with columns for Dec. 30, Call, Put, etc.

Table titled 'PARIS 10% GILT' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON 10% GILT' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON 10% GILT' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON (LIFFE)' with columns for Dec. 30, Call, Put, etc.

Table titled 'CHICAGO' with columns for Dec. 30, Call, Put, etc.

Table titled 'JAPANESE YEN' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON (LIFFE)' with columns for Dec. 30, Call, Put, etc.

Table titled 'CHICAGO' with columns for Dec. 30, Call, Put, etc.

Table titled 'JAPANESE YEN' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON (LIFFE)' with columns for Dec. 30, Call, Put, etc.

Table titled 'CHICAGO' with columns for Dec. 30, Call, Put, etc.

Table titled 'JAPANESE YEN' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON (LIFFE)' with columns for Dec. 30, Call, Put, etc.

Table titled 'CHICAGO' with columns for Dec. 30, Call, Put, etc.

Table titled 'JAPANESE YEN' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON (LIFFE)' with columns for Dec. 30, Call, Put, etc.

Table titled 'CHICAGO' with columns for Dec. 30, Call, Put, etc.

Table titled 'JAPANESE YEN' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON (LIFFE)' with columns for Dec. 30, Call, Put, etc.

Table titled 'CHICAGO' with columns for Dec. 30, Call, Put, etc.

Table titled 'JAPANESE YEN' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON (LIFFE)' with columns for Dec. 30, Call, Put, etc.

Table titled 'CHICAGO' with columns for Dec. 30, Call, Put, etc.

Table titled 'JAPANESE YEN' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON (LIFFE)' with columns for Dec. 30, Call, Put, etc.

Table titled 'CHICAGO' with columns for Dec. 30, Call, Put, etc.

Table titled 'JAPANESE YEN' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON (LIFFE)' with columns for Dec. 30, Call, Put, etc.

Table titled 'CHICAGO' with columns for Dec. 30, Call, Put, etc.

Table titled 'JAPANESE YEN' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON (LIFFE)' with columns for Dec. 30, Call, Put, etc.

Table titled 'CHICAGO' with columns for Dec. 30, Call, Put, etc.

Table titled 'JAPANESE YEN' with columns for Dec. 30, Call, Put, etc.

Table titled 'LONDON (LIFFE)' with columns for Dec. 30, Call, Put, etc.

Table titled 'CHICAGO' with columns for Dec. 30, Call, Put, etc.

Table titled 'JAPANESE YEN' with columns for Dec. 30, Call, Put, etc.

APPOINTMENTS

Changes at Dominion International Group

From January 1 Mr Anthony Richards has been appointed director of corporate finance director of DOMINION INTERNATIONAL GROUP with responsibility for mergers, acquisitions and new business opportunities.

Mr Robert St. J. Jolliffe has joined the board of AUTOMAGIC HOLDINGS as financial director in place of Mr Kenneth J. Taylor, who becomes a non-executive director.

Mr Bradstock Group has purchased, at par, a controlling interest in a new company specialising in European and overseas non-marine direct and reinsurance business.

From January 1 the management team of SWISS LIFE INSURANCE AND PENSION COMPANY, London, will be: Mr John Marston, general manager; Mr Christopher Ide, deputy.

Advertisement for Portsmouth Building Society, listing various share options and interest rates.

Advertisement for GRANVILLE SPONSORED SECURITIES, listing various stocks and their prices.

Advertisement for I.G. INDEX LTD, 9-11 Grosvenor Gardens, London SW1W 0BD.

UK rates firmer
END OF year funding pressures added to recent concern that UK bank base rates may have to rise again, to push interest rates firmer in London yesterday.

FT LONDON INTERBANK FIXING
3 months US dollar, 6 months US dollar

MONEY MARKETS
3 months, 6 months, 12 months

FT LONDON INTERBANK FIXING
3 months US dollar, 6 months US dollar

MONEY MARKETS
3 months, 6 months, 12 months

SPONSORED SECURITIES
High Low Company Price Class Div % P/E

WORLD STOCK MARKETS

NEW YORK (3 pm)

Table listing various US stocks with columns for company name, price, and change. Includes companies like IBM, AT&T, and General Electric.

AMSTERDAM

Table listing various Dutch stocks with columns for company name, price, and change.

BRUSSELS

Table listing various Belgian stocks with columns for company name, price, and change.

FRANCE (continued)

Table listing various French stocks with columns for company name, price, and change.

GERMANY (continued)

Table listing various German stocks with columns for company name, price, and change.

ITALY (continued)

Table listing various Italian stocks with columns for company name, price, and change.

NEW YORK

Table showing Dow Jones index and other market statistics for New York.

INDICES

Table showing various international stock indices like Nikkei, Hang Seng, and FTSE.

AMSTERDAM

Table showing various Dutch stock indices.

BRUSSELS

Table showing various Belgian stock indices.

FRANCE

Table showing various French stock indices.

GERMANY

Table showing various German stock indices.

ITALY

Table showing various Italian stock indices.

JAPAN

Table showing various Japanese stock indices.

HONG KONG

Table showing various Hong Kong stock indices.

NEW YORK ACTIVE STOCKS

Table listing active stocks in New York with columns for stock name, price, and change.

Notes and disclaimers regarding the accuracy and use of the data provided in the tables.

WORLD STOCK MARKETS

Never make predictions - and never admit you are wrong

OCCASIONALLY, quantitative analysts do not share this gloomy view of the world. In spite of my attempts to convert them to the "every bear market must have a worse second leg" theory, their official County NatWest WoodMac forecasts were, in fact, surprisingly bullish.

I hasten to add that, fortunately, my wisest colleagues did not share this gloomy view of the world. In spite of my attempts to convert them to the "every bear market must have a worse second leg" theory, their official County NatWest WoodMac forecasts were, in fact, surprisingly bullish.

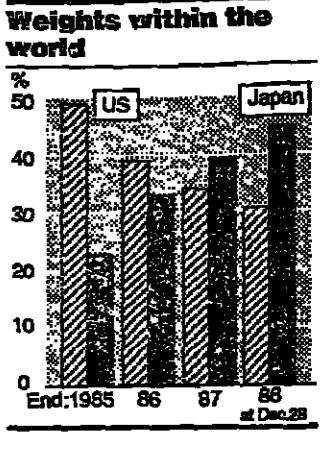
shared my view that the UK market would perform relatively well in 1988. So we were all wrong. There may be no place like home on Hogmanay, but both sterling and dollar investors alike will be only too well aware that home was not the place to have invested in during 1988.

those from the rest of the world. Looking at capital performance, rather than total return, the sterling investor saw gains of just 5% per cent from the UK compared with gains of 29 per cent from overseas. The dollar investor saw a rise of 13 per cent in his domestic market compared with dollar gains of 25 per cent from the World excluding the US.

prise few investors - it usually is. However, unlike the outcome in many previous years, currency losses did not erode the returns to foreign investors. Indeed, the Mexican peso rose against both sterling and the dollar during 1988, thus enhancing the returns to both the UK and US investor.

gain of 270 per cent compared with a gain of just 40 per cent by other markets worldwide. Investors have consequently experienced an enormous structural change in the global equity market over this period. Within the FT-Actuaries World Index universe, Japan has risen from a weighting of 23 per cent to almost 45 per cent since 1985.

hood that the influence of Japan will start to wane. CNW's latest forecasts suggest that Japan will continue to outperform the rest of the Group of Seven countries in terms of both growth and inflation into the 1990s. Growth is forecast to exceed 4 per cent in both 1989 and 1990.



Dow little changed in low volume

A TRYING year in the US stock market ended yesterday with many of the same characteristics which have marked trading for months - low volume, a narrow range, heavy trading in stocks going ex-dividend and a rash of takeover rumours, writes Janet Bush in New York.

Two economic releases yesterday had little effect on the market. US leading indicators for November dropped 0.2 per cent. This was a larger decline than had been expected but this was balanced by an upward revision in October's rise of 0.1 per cent to a gain of 0.4 per cent.

Other activity revolved around rumoured takeover candidates. Reebok, the manufacturer of running shoes, added 5% to \$124 on fresh rumours that the company may be a candidate for a leveraged buy-out, perhaps worth \$15 to \$20 a share according to some equity market commentators.

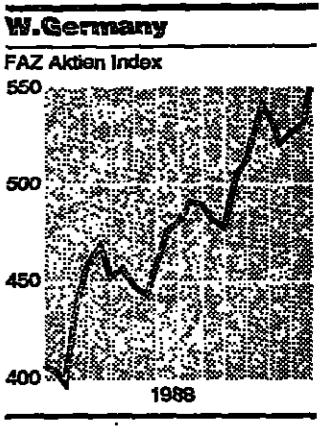
is in talks to sell its Uniroyal Chemical Company to a management group, leaving Avery itself with only 80 cents to \$1 a share in cash if the deal goes through.

Paris climbs to year peak after debt write-off

FOR THOSE European bourses open yesterday it was a mixed end to 1988 as markets traded quietly before the new year holiday, although Paris reached a year high on news of a major debt write-off, writes Our Markets Staff, Frankfurt, Zurich, Brussels and Amsterdam were closed.

components group Valeo closing FF117 firmer at FF604. Retailers continued to benefit from Thursday's news of New Zealand entrepreneur Mr Ron Brierley's stakes in three French department stores. Galeries Lafayette rose FF60 to FF149, but Nouvelles Galeries fell FF2 to FF203 as investors took profits.

year. Analysts expect the earnings of the three main banks of national interest to be strengthened by proceeds from the sale of their respective shareholdings in Mediobanca, the merchant bank which was privatised in 1988. Banca Commerciale Italiana rose L36 to L342, Banco di Roma L340 to L7,750 and Credito Italiano L9 to L1,765.



ASIA PACIFIC Optimistic Australia edges higher

THE LAST day of trading in 1988 left the Asia Pacific markets mixed in mostly sluggish pre-holiday trading, although Australia was busier than expected because of optimism over a 28 cent dividend to listed demand, Tokyo, Taipei and Seoul were closed for the new year holiday.

Ordinary index was up 1.0 at 1,487.4 on turnover of 115m shares worth A\$240m. Among the banks, Westpac slipped 28 cents to A\$5.28 after paying a 28 cent dividend to shareholders. Gold stocks were easier on the second consecutive fall in international bullion prices, with Gold Mines of Kalgoorlie dropping 5 cents to A\$1.15, Farsayth losing 8 cents to A\$2.00 and Placer Pacific off 10 cents to A\$2.20.

Platinum was firm, with Rustenburg Platinum up 50 cents to R48.75. Diamond stock De Beers gained 5 cents to R41.75 and among mining houses, Anglo American picked up 50 cents to close at R81.

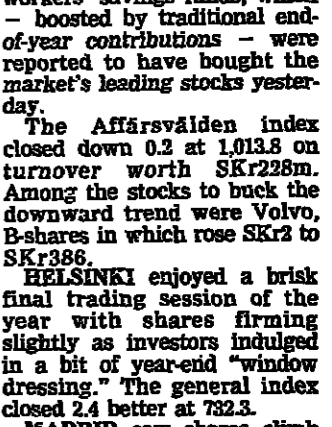
while Kloof dropped 50 cents to R32. Platinum was firm, with Rustenburg Platinum up 50 cents to R48.75. Diamond stock De Beers gained 5 cents to R41.75 and among mining houses, Anglo American picked up 50 cents to close at R81.

EUROPE

Canada QUIET pre-holiday trading left Toronto share prices with a small early gain. The composite index was 0.4 higher at 3,372.5 in morning trading with advances outpacing declines by 78 to 69, on volume of 2.2m shares.

STOCKHOLM ended a buoyant year in muted fashion, with shares closing mixed in quiet trading. Some impetus was provided by the country's workers' savings funds, which - boosted by traditional end-of-year contributions - were reported to have bought the market's leading stocks yesterday.

STOCKHOLM ended a buoyant year in muted fashion, with shares closing mixed in quiet trading. Some impetus was provided by the country's workers' savings funds, which - boosted by traditional end-of-year contributions - were reported to have bought the market's leading stocks yesterday.



FT-ACTUARIES WORLD INDICES

Table with columns for National and Regional Markets, Thursday December 29 1988, Wednesday December 28 1988, and Dollar Index. Rows include Australia, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Japan, Korea, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, and USA.

FINANCIAL TIMES GUIDES INVESTMENT TRUSTS UNIT TRUSTS. Includes introductory text, contents lists, and an order form for the guides.

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.07 (US \$ Index), 90.791 (Pound Sterling) and 94.94 (Local). Copyright: The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities Limited, 1987.

LONDON STOCK EXCHANGE Dealings

Details of business done show below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

British Funds, etc

No. of bargains included 1158 Treasury 8 1/2% Ss 1984 'A' - 202,193,310

UK Public Boards

No. of bargains included 1 Agricultural Mortgage Corp PLC 5 1/4% Deb Ss 8 1/2%

Foreign Stocks, Bonds, etc

(London) No. of bargains included 1 ASDA Group PLC 4 1/4% Cnv Bds

Commercial, Industrial, etc

No. of bargains included 2028 ADT LADAR (1-1) - 321.4

Banks and Discount Companies

No. of bargains included 805 Barclay Bank PLC 5 1/4% Cnv Deb Ss 8 1/2%

Breweries and Distilleries

No. of bargains included 204 Allied-Lyons PLC 7 1/4% Red Deb Ss 8 1/2%

UK Public Boards

No. of bargains included 1 Agricultural Mortgage Corp PLC 5 1/4% Deb Ss 8 1/2%

Foreign Stocks, Bonds, etc

(London) No. of bargains included 1 ASDA Group PLC 4 1/4% Cnv Bds

Commercial, Industrial, etc

No. of bargains included 2028 ADT LADAR (1-1) - 321.4

Banks and Discount Companies

No. of bargains included 805 Barclay Bank PLC 5 1/4% Cnv Deb Ss 8 1/2%

Red Pnt Et - 120 Boots Co PLC ADR (2-1) - 82.5 (200/88)

UK Public Boards

No. of bargains included 1 Agricultural Mortgage Corp PLC 5 1/4% Deb Ss 8 1/2%

Foreign Stocks, Bonds, etc

(London) No. of bargains included 1 ASDA Group PLC 4 1/4% Cnv Bds

Commercial, Industrial, etc

No. of bargains included 2028 ADT LADAR (1-1) - 321.4

Banks and Discount Companies

No. of bargains included 805 Barclay Bank PLC 5 1/4% Cnv Deb Ss 8 1/2%

Summer International PLC 7 1/2% (Net) Cum Red Pnt Et - 73

UK Public Boards

No. of bargains included 1 Agricultural Mortgage Corp PLC 5 1/4% Deb Ss 8 1/2%

Foreign Stocks, Bonds, etc

(London) No. of bargains included 1 ASDA Group PLC 4 1/4% Cnv Bds

Commercial, Industrial, etc

No. of bargains included 2028 ADT LADAR (1-1) - 321.4

Banks and Discount Companies

No. of bargains included 805 Barclay Bank PLC 5 1/4% Cnv Deb Ss 8 1/2%

TR Worldwide Strategy Fund Stav Shs NYW (Net) (Am) Fund - 20,8661

UK Public Boards

No. of bargains included 1 Agricultural Mortgage Corp PLC 5 1/4% Deb Ss 8 1/2%

Foreign Stocks, Bonds, etc

(London) No. of bargains included 1 ASDA Group PLC 4 1/4% Cnv Bds

Commercial, Industrial, etc

No. of bargains included 2028 ADT LADAR (1-1) - 321.4

Banks and Discount Companies

No. of bargains included 805 Barclay Bank PLC 5 1/4% Cnv Deb Ss 8 1/2%

USM Appendix No. of bargains included 528 Apollo Issues PLC Ord 10p - 84%

UK Public Boards

No. of bargains included 1 Agricultural Mortgage Corp PLC 5 1/4% Deb Ss 8 1/2%

Foreign Stocks, Bonds, etc

(London) No. of bargains included 1 ASDA Group PLC 4 1/4% Cnv Bds

Commercial, Industrial, etc

No. of bargains included 2028 ADT LADAR (1-1) - 321.4

Banks and Discount Companies

No. of bargains included 805 Barclay Bank PLC 5 1/4% Cnv Deb Ss 8 1/2%

FREE - News on money if you're living abroad. There's a brand new magazine that's worth its weight in gold. All about money - and how to make the most of it when you live and work abroad.

FINANCIAL TIMES STATISTICS STILL ONLY £11.50. "Designed to assist both the expert requiring across-the-market coverage, and the general reader wishing to know how a market works." A Guide To Financial Times Statistics. The Fourth Edition from Financial Times Business Information.

Subdued year-end for equity sector

THE UK stock market said farewell to the Old Year with few regrets yesterday, when its final trading session for 1988 was uneventful by another outburst of nervousness over the outlook for domestic interest rates. Trading was inevitably very light in view of the decision to close the equity market at mid-session, the first time that the New Year break has been heralded in London.

This week's increase in mortgage charges - by two of Britain's major housing finance lenders, although widely expected - was a response to last month's one point rise in bank base rates, rekindling worries over near term rates.

The market then ran into turbulence as the December contract on the FT-SE Index expired in the futures market at mid-morning. The FT-SE index dropped more than 15 points as traders switched between the Index contract and the underlying shares, but rallied as the market settled down again.

The final reading on the FT-SE Index (Footsie), taken at noon, showed a fall of 10.3 at 1793.1. Seag volume of 140m shares indicated the minimal level of activity.

Elsewhere, it was mostly a matter of scattered support for New Year share recommendations. The equity market sounded subdued as the books were closed on what has been a traumatic year in the City of London, which has seen widespread staff redundancies and major market firms have trimmed equity marketmaking operations, and, in the case of Morgan Grenfell, withdrawn from the arena.

amid talk that RMC may have taken a stake. The shares put on 5 to 13p, while RMC stock fell 4 at 51p.

Racial Telecom departed the old year in the ascendancy, setting at the highest yet of 184p despite a marked reduction in volume because of the market's early close. Elsewhere, the listing of Humberside Electric Controls was temporarily suspended following an agreed takeover of Audit & General Holdings. Mr Harvey Selby is a major shareholder in both companies. Humberside also revealed a heavier annual loss yesterday.

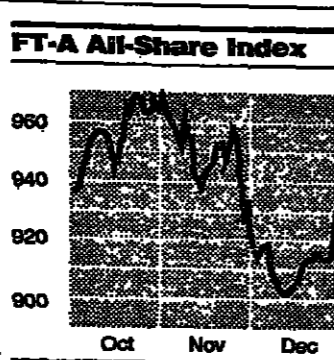
Intermittent activity in engineering shares usually reflected year-end recommendations from the securities houses. Under this heading, Adwest stood out at 168p, recommended in several quarters on hopes that bid will be forthcoming in the near future.

Among the heavyweights, Hawker Siddeley edged higher to 54p, but Rolls-Royce at 132p and Vickers at 151p saw little trade. NEI at 117p, remained uncertain over the intentions of Rolls-Royce, its recently arrived stakeholder. Since the failure of talks between the two companies, the market has been waiting for Rolls-Royce to signal whether it intends to launch a hostile bid.

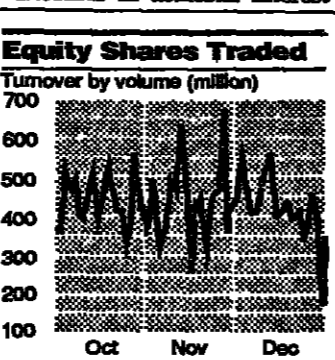
Unigate, the market's current bid favourite, was rock steady, rising a penny to 350p in turnover of just over three quarters of a million shares. Geest improved 4 to 24p in moderate support. Among second-liners, Alpine Group was heaved a huge 6 higher to 32p as it was singled out for attention by yet another New Year tipster.

Iceland captures Bejam

The food sector featured the final froed of the Bejam/Iceland Frozen Foods. Iceland made the expected announcement that it had finally won control with 50.09 per cent of Bejam equity plus undertaking for more stock which had not yet been registered. This had the predicted effect of sending the shares of both companies substantially lower as dealers and investors anticipated the flood of Iceland paper which will have to be absorbed to pay for the acquisition. Iceland shares fell 8 to 30p, while Bejam was marked down to 166p, a fall of 7 on the session leaving it well below the Iceland offer price.



Wellcome, down 8 at 409p, and Fisons, 4 weaker at 231p, were the weakest of the pharmaceutical leaders, while Beecham gave up only 4 to 465p in turnover of just under half a million shares.



The banking sector also eased, reflecting renewed concern over consumer spending, and, by association, domestic interest rates. Lloyds shaded to 324p, Barclays to 405p and Midland to 412p. The exception was NatWest which, while still overshadowed by its decision to raise mortgage rates by a full point, closed firmer at 513p.

Credit and financing issues were also unsettled by the latest indications that consumer spending remains high; while good for business, this trend raises fears of yet another hike in short-term rates. However, Provident Financial Group at 318p, improved after announcing the £13.5m purchase of Erringham Holdings. An unexciting Building and construction sector featured a good rise by British Dredging

Table with 2 columns: NEW HIGHS AND LOWS FOR 1988. Lists various companies and their prices.

FINANCIAL TIMES STOCK INDICES

Table showing stock indices for Dec 30, Dec 29, Dec 28, Dec 27, Dec 22, Dec 21, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16, Dec 15, Dec 14, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1. Includes Government Secs, Fixed Interest, Ordinary, Gold Mines, etc.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various stocks including Anglo, BHP, British Airways, British Petroleum, etc.

rose 8 to 126p. End-year window dressing was held responsible for marked strength in Medical Bar, 12 higher at 371p. UK Land jumped 30 to 788p in a thin market. Textile issues remained in the doldrums, influenced by a Kleinwort Benson's analysis of the outlook for 1989. Sector researcher, Mr Peter Hyde, expects trading conditions to remain poor with sterling strong, interest rates high and retail demand sluggish.

YEAR IN THE MARKETS

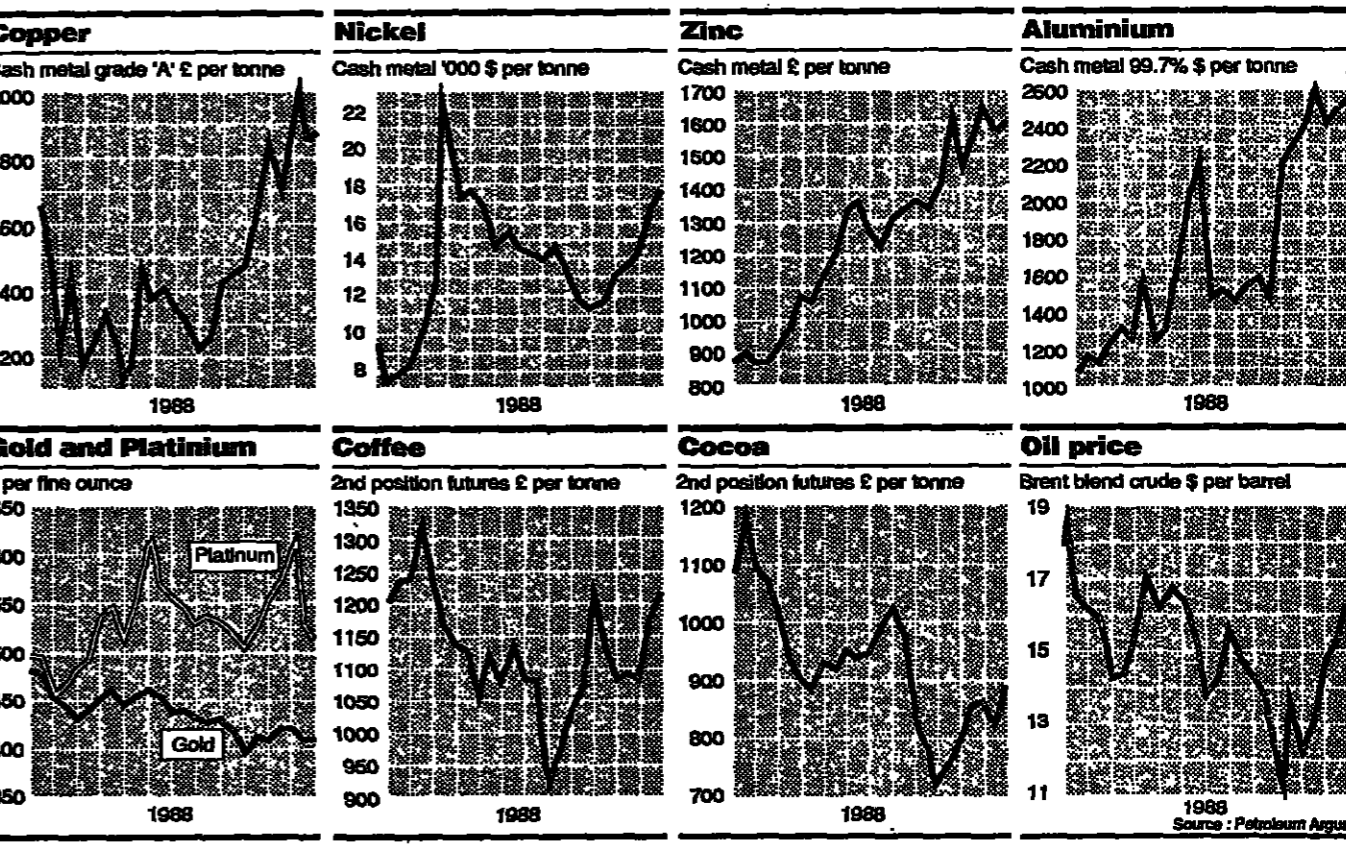
Metals hold centre stage as cocoa and coffee struggle

COMMODITY markets have had an extremely active 12 months in 1988 - but it will go down as a year of sharp contrasts. It was a year when cash nickel hit \$23,900 a tonne - the highest price ever paid for a metal on the London Metal Exchange - while cocoa prices tumbled to historic lows. It was a year when copper topped \$2,600 a tonne on the LME for the first time, while oil prices dipped below \$12 a barrel.

Base metals have, in fact, stolen the limelight as star performers for the first time in many a long year, with zinc and aluminium also fetching record prices. Tightness of supplies has meant high premiums for cash markets over the three-month price have become the norm on the LME.

which ended earlier this month. Peru mined 6 per cent of all non-Communist world copper in 1987, and the length of the strike, against a background of much greater than expected demand this year, finally pushed cash copper to \$2,600 a tonne on December 8. Stocks at the LME reached a 14-year low of 41,425 tonnes in May, and were only 63,650 tonnes at the beginning of December, when stocks on New York's Comex were at a record low of just over 5,000 short tons (2,000 lb).

repair the damage by stressing platinum's advantages and palladium's shortcomings for catalyst production. But erstwhile platinum bulls seem to be taking a "once bitten, twice shy" attitude and are in no rush to put their money back into the metal.



The price of 15-day Brent oil, the North Sea market crude which has slipped from around \$18 a barrel at the start of the year to \$11.25 in early October, responded appropriately. But doubts remain about the resolve of some members to stick to the export allocations and price in level more than \$1 below the level at which it began the year.

David Blackwell and Richard Mooney

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-92-2128

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Alliance Unit Trust, and others, including their names and brief descriptions.

Table listing unit trusts under the heading 'BANK RETURN', detailing their performance metrics and returns.

Table listing unit trusts under the heading 'RISES AND FALLS', showing percentage changes since December 31 1987.

Table listing unit trusts under the heading 'LEADERS AND LAGGARDS', highlighting top and bottom performing trusts.

Table listing unit trusts under the heading 'GUIDE TO UNIT TRUST PRICING', providing information on how to interpret the pricing data.

Table listing unit trusts under the heading 'ROYAL BANK OF CANADA', detailing various investment options.

Table listing unit trusts under the heading 'MERRILL LYNCH', detailing various investment options.

Table listing unit trusts under the heading 'SCOTIABANK', detailing various investment options.

Table listing unit trusts under the heading 'SWISS LIFE', detailing various investment options.

Table titled 'BANK RETURN' showing financial data for various banks and financial institutions.

Table titled 'RISES AND FALLS' showing percentage changes in various market indices and sectors.

Table titled 'LEADERS AND LAGGARDS' showing the top and bottom performing unit trusts.

Table titled 'GUIDE TO UNIT TRUST PRICING' explaining the methodology used for pricing unit trusts.

Table listing unit trusts under the heading 'ROYAL BANK OF CANADA'.

Table listing unit trusts under the heading 'MERRILL LYNCH'.

Table listing unit trusts under the heading 'SCOTIABANK'.

Table listing unit trusts under the heading 'SWISS LIFE'.

Table listing unit trusts under the heading 'ROYAL BANK OF CANADA'.

Table listing unit trusts under the heading 'MERRILL LYNCH'.

Table listing unit trusts under the heading 'SCOTIABANK'.

Table listing unit trusts under the heading 'SWISS LIFE'.

Table listing unit trusts under the heading 'ROYAL BANK OF CANADA'.

Table listing unit trusts under the heading 'MERRILL LYNCH'.

Table listing unit trusts under the heading 'SCOTIABANK'.

Table listing unit trusts under the heading 'SWISS LIFE'.

Table listing unit trusts under the heading 'ROYAL BANK OF CANADA'.

Handwritten signature or stamp at the bottom of the page, possibly indicating a specific unit trust or a personal note.

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-625-2128

FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information with columns for Name, Price, and Yield. Includes sections for 'INSURANCES' and 'OTHER UK UNIT TRUSTS'.

OTHER UK UNIT TRUSTS

Table listing other UK unit trusts such as Saffie Rifford & Co Ltd, Church of England, and Edinburgh Fund Mgmt PLC.

BNL Ltd 16.5 57.9 1.00

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, and other details. Includes sections for Bermuda Recognised, Jersey Recognised, Guernsey Recognised, and Offshore and Overseas.

10M RECOGNISED

Table listing 10M Recognised unit trusts with columns for Name, Price, and other details.

BERMUDA RECOGNISED

Table listing Bermuda Recognised unit trusts with columns for Name, Price, and other details.

OFFSHORE INSURANCES

Table listing Offshore Insurances with columns for Name, Price, and other details.

BERMUDA RECOGNISED

Table listing Bermuda Recognised unit trusts with columns for Name, Price, and other details.

OFFSHORE AND OVERSEAS

Table listing Offshore and Overseas unit trusts with columns for Name, Price, and other details.

GUERNSEY RECOGNISED

Table listing Guernsey Recognised unit trusts with columns for Name, Price, and other details.

OFFSHORE AND OVERSEAS

Table listing Offshore and Overseas unit trusts with columns for Name, Price, and other details.

Handwritten signature or mark at the bottom of the page.

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, and Yield.

Table of London Share Service, including sections for British Funds, Foreign Bonds & Rails, American Stocks, and Money Market Trust Funds.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128.

AMERICANS - Contd

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3090 1500000 Gold Corp L., 3091 1500000 Gold Corp L., etc.

CANADIANS

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3092 1500000 Gold Corp L., 3093 1500000 Gold Corp L., etc.

BANKS, HP & LEASING

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3094 1500000 Gold Corp L., 3095 1500000 Gold Corp L., etc.

BEERS, WINES & SPIRITS

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3096 1500000 Gold Corp L., 3097 1500000 Gold Corp L., etc.

BUILDING, TIMBER, ROADS

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3098 1500000 Gold Corp L., 3099 1500000 Gold Corp L., etc.

BUILDING, TIMBER, ROADS

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3100 1500000 Gold Corp L., 3101 1500000 Gold Corp L., etc.

CHEMICALS, PLASTICS

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3102 1500000 Gold Corp L., 3103 1500000 Gold Corp L., etc.

DRAPERY AND STORES

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3104 1500000 Gold Corp L., 3105 1500000 Gold Corp L., etc.

ELECTRICALS

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3106 1500000 Gold Corp L., 3107 1500000 Gold Corp L., etc.

ENGINEERING

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3108 1500000 Gold Corp L., 3109 1500000 Gold Corp L., etc.

ENGINEERING - Contd

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3110 1500000 Gold Corp L., 3111 1500000 Gold Corp L., etc.

FOOD, GROCERIES, ETC

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3112 1500000 Gold Corp L., 3113 1500000 Gold Corp L., etc.

HOTELS AND CATERERS

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3114 1500000 Gold Corp L., 3115 1500000 Gold Corp L., etc.

INDUSTRIALS (Miscel.)

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3116 1500000 Gold Corp L., 3117 1500000 Gold Corp L., etc.

INDUSTRIALS (Miscel.) - Contd

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3118 1500000 Gold Corp L., 3119 1500000 Gold Corp L., etc.

INDUSTRIALS (Miscel.) - Contd

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3120 1500000 Gold Corp L., 3121 1500000 Gold Corp L., etc.

INSURANCES

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3122 1500000 Gold Corp L., 3123 1500000 Gold Corp L., etc.

LEISURE

Table with columns: Ticker, Share, Price, Bid, Offer, P/E. Includes entries like 3124 1500000 Gold Corp L., 3125 1500000 Gold Corp L., etc.

Handwritten signature or mark at the bottom of the page.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your Share Code Booklet ring the FT Cityline help desk on 01-625-2128

LEISURE - Contd

Table of share prices for Leisure companies including Leisure Group, Leisure Leisure, Leisure Leisure, etc.

PROPERTY

Table of share prices for Property companies including Property Property, Property Property, etc.

TEXTILES - Contd

Table of share prices for Textiles companies including Textiles Textiles, Textiles Textiles, etc.

TOBACCO

Table of share prices for Tobacco companies including Tobacco Tobacco, Tobacco Tobacco, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, and Land companies including Trusts Trusts, Finance Finance, etc.

TRUSTS, FINANCE, LAND - Contd

Continuation of share prices for Trusts, Finance, and Land companies.

OIL AND GAS - Contd

Table of share prices for Oil and Gas companies including Oil Oil, Gas Gas, etc.

OVERSEAS TRADERS

Table of share prices for Overseas Traders companies including Overseas Overseas, Overseas Overseas, etc.

PLANTATIONS

Table of share prices for Plantations companies including Plantations Plantations, Plantations Plantations, etc.

MINES - Contd

Table of share prices for Mines companies including Mines Mines, Mines Mines, etc.

Miscellaneous

Table of share prices for Miscellaneous companies including Miscellaneous Miscellaneous, Miscellaneous Miscellaneous, etc.

MOTORS, AIRCRAFT TRADES

Table of share prices for Motors and Aircraft Trades companies including Motors Motors, Aircraft Aircraft, etc.

Commercial Vehicles

Table of share prices for Commercial Vehicles companies including Commercial Commercial, Vehicles Vehicles, etc.

Components

Table of share prices for Components companies including Components Components, Components Components, etc.

Garages and Distributors

Table of share prices for Garages and Distributors companies including Garages Garages, Distributors Distributors, etc.

NEWSPAPERS, PUBLISHERS

Table of share prices for Newspapers and Publishers companies including Newspapers Newspapers, Publishers Publishers, etc.

PAPER, PRINTING, ADVERTISING

Table of share prices for Paper, Printing, and Advertising companies including Paper Paper, Printing Printing, Advertising Advertising, etc.

Investment Trusts

Table of share prices for Investment Trusts companies including Investment Investment, Trusts Trusts, etc.

SHIPPING

Table of share prices for Shipping companies including Shipping Shipping, Shipping Shipping, etc.

SHOES AND LEATHER

Table of share prices for Shoes and Leather companies including Shoes Shoes, Leather Leather, etc.

SOUTH AFRICANS

Table of share prices for South Africans companies including South South, Africans Africans, etc.

TEXTILES

Table of share prices for Textiles companies including Textiles Textiles, Textiles Textiles, etc.

Finance, Land, etc

Table of share prices for Finance, Land, and other companies including Finance Finance, Land Land, etc.

Finance, Land, etc

Continuation of share prices for Finance, Land, and other companies.

OIL AND GAS

Table of share prices for Oil and Gas companies including Oil Oil, Gas Gas, etc.

Teas

Table of share prices for Teas companies including Teas Teas, Teas Teas, etc.

MINES

Table of share prices for Mines companies including Mines Mines, Mines Mines, etc.

Central Rand

Table of share prices for Central Rand companies including Central Central, Rand Rand, etc.

East Rand

Table of share prices for East Rand companies including East East, Rand Rand, etc.

Far West Rand

Table of share prices for Far West Rand companies including Far Far, West West, Rand Rand, etc.

G.F.S.

Table of share prices for G.F.S. companies including G.F.S. G.F.S., G.F.S. G.F.S., etc.

Diamond and Platinum

Table of share prices for Diamond and Platinum companies including Diamond Diamond, Platinum Platinum, etc.

Central African

Table of share prices for Central African companies including Central Central, African African, etc.

Finance

Table of share prices for Finance companies including Finance Finance, Finance Finance, etc.

Central African

Table of share prices for Central African companies including Central Central, African African, etc.

Central African

Table of share prices for Central African companies including Central Central, African African, etc.

Central African

Table of share prices for Central African companies including Central Central, African African, etc.

Central African

Table of share prices for Central African companies including Central Central, African African, etc.

Central African

Table of share prices for Central African companies including Central Central, African African, etc.

Central African

Table of share prices for Central African companies including Central Central, African African, etc.

Central African

Table of share prices for Central African companies including Central Central, African African, etc.

THIRD MARKET

Table of share prices for Third Market companies including Third Third, Market Market, etc.

NOTES

Stock Exchange listing classifications are indicated to the right of security names. Alpha, Beta, Gamma, Delta, Epsilon, and F are price and performance indicators...

REGIONAL & IRISH STOCKS

Table of share prices for Regional and Irish Stocks companies including Regional Regional, Irish Irish, etc.

TRADITIONAL OPTIONS

Table of share prices for Traditional Options companies including Traditional Traditional, Options Options, etc.

Property

Table of share prices for Property companies including Property Property, Property Property, etc.

Oils

Table of share prices for Oils companies including Oils Oils, Oils Oils, etc.

Mines

Table of share prices for Mines companies including Mines Mines, Mines Mines, etc.

This service is available to every company listed in the UK Stock Exchange throughout the United Kingdom for a fee of £948 per annum.

Iceland snatches Bejam at 11th hour

By Clare Pearson

BEJAM GROUP, the frozen food retailer based in southern England, succumbed yesterday to the £27m bid from Iceland Frozen Foods...

MPs rattle 'reform decade' chains

By Michael Cassell, Political Correspondent

THE CHRISTMAS spirit last night fled from the Palace of Westminster, leaving it abandoned and silent but for the sound of political leaders...

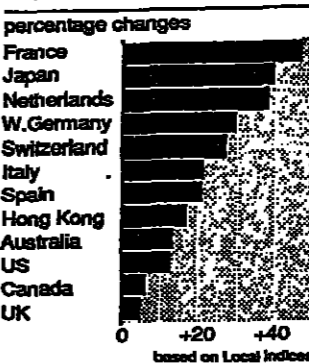
ing the Soviet Union had also acted to help the victims of the Armenian earthquake. Mr Kinnoch emphasised that the instincts of co-operation had to push aside the habits of enmity...

A lacklustre year in London

At least the London stock market did not see a repeat of last year's savage fall in share prices on the final day's trading...

FT Index fell 7.8 to 1,458.3

World Stock Markets 1988



total return for pension funds was around 14 per cent, according to figures calculated by WM Company. When adjusted for inflation, this is comfortably above the long-term average of under 5 per cent...

easy, though as the somewhat tortuous form of yesterday's deal shows. In order to get the thing away, Beazer has had to contribute £17.6m of its own money...

The steady upward creep in US interest rates must soon start stretching the Koppers' bid arithmetic. Rates are now 3 per cent higher than in the summer...

Paris goes ahead with FF12bn debt write-off for Renault

By George Graham in Paris

THE French Government has decided to press ahead with a FF12bn debt write-off for Renault, the state-owned car producer...

This can be done by decree, thus avoiding parliamentary legislation which would probably have been obstructed...

especially the private-sector Peugeot group. Mr Jacques Calvet, Peugeot's chairman, has said that reducing Renault's debt would give it an unfair competitive advantage...

Beazer sells another part of Koppers

By Clare Pearson

BEAZER, the UK house-building, materials and construction group, has sold another large part of Koppers, the US group it acquired for \$1.72bn in June...

The authorities' response has been to raise interest rates and to have had a lot to do with the sluggish stock market performance. Indeed, the UK has been the worst of the bunch with the rapid growth in the economy leading to the emergence of an unimaginably horrible trade deficit...

William Collins

Rival offers at the same price are not normal in takeover bids, but normality has not been a feature in the fight for Collins. In matching the terms of the unmasked Presses de la Cité, Mr Murdoch has put the management of Collins on the spot...

Valid acceptances

Eventually, and after endless argy-bargy between merchant bankers, stockbrokers and receiving bankers, Iceland has won Bejam. In so doing it has demonstrated that the new ultra-safe rules on counting valid acceptances are a nightmare for the practitioners...

Lockerbie lawsuit

Continued from Page 1

tan Police anti-terrorist squad, the US Federal Bureau of Investigation and the West German Federal police. At Frankfurt, the police, helped by the West German authorities, will try to discover who boarded the first leg of the flight, which began in Frankfurt as a Boeing 727 before converting to the jumbo at Heathrow en route for New York...

Yugoslavia

Continued from Page 1

acquired plots of land at very low prices. Yugoslav journalists believe that, although Mr Mikulic lacked the support to push through economic reforms, he is being used as a scapegoat for the worsening economic and political situation...

Honours

Continued from Page 1

hood for Mr William Shelton, Tory MP for Southampton, south London, and Miss Joan Fookes, Tory MP for Plymouth Drake, becomes a Dame of the British Empire. Mr William Goodhart, a leading figure in the Social and Liberal Democrats who unsuccessfully fought this year's Kensington by-election, also receives a knighthood...

Honours

Continued from Page 1

hood for Mr William Shelton, Tory MP for Southampton, south London, and Miss Joan Fookes, Tory MP for Plymouth Drake, becomes a Dame of the British Empire. Mr William Goodhart, a leading figure in the Social and Liberal Democrats who unsuccessfully fought this year's Kensington by-election, also receives a knighthood...

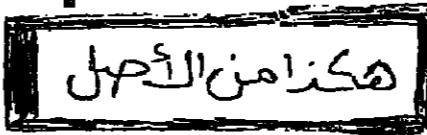
Table with 2 columns: NEW YORK (Dollars) and LONDON (Pence). Lists various commodities and their price changes.

Table with 2 columns: NEW YORK (Dollars) and LONDON (Pence). Lists various commodities and their price changes.

Table with 3 columns: City, Yday, Today. Worldwide weather forecast for various cities.

THE INVESTMENT OF A LIFETIME YOUR CHANCE TO WIN £50,000. MONEY OBSERVER advertisement with subscription details and contact information.

Handwritten signature or scribble at the bottom of the page.



Daniel Pallant's astrological guide to 1989
Great year for Ursus

THE OUTLOOK for the UK stock market in 1989 is very bearish. The year will start with an optimistic move upwards on the market, but selling resistance will keep it in a relatively narrow trading range until late August.

will be quite different containing the seeds of persistent and intractable gloom. This very gloomy forecast is based on a detailed computer analysis of the Solar, Lunar and planetary cycles, using data on their influence on share prices going back to the start of the Financial Times index in July 1935.

The market then rallied until the date of the second ingress I warned about - November 23. Then the index dropped by 100.5. My "rubbish" forecasting seems to have worked remarkably well. For the record in 1989 the dates which will be bear indicators in the bear slide will be August 25 and September 13.

Heather Farmbrough assesses international stock market prospects for the coming year

Europe and Far East promising

seem all that bright for equities in the US. There are all kinds of familiar problems: the enormous budget and trade deficits; the fragile state of the banking system, which makes interest rate management particularly tricky; the speculative excesses of the stock market.

Japan: inflation is about 1.2 per cent and is not expected to go much above 1.7 per cent

being - and given the links between the two markets, that probably applies to the UK as well. At James Capel, Charles Larkum suggests the Canadian market is preferable to the US, with favourable trends in raw material and metal prices.

Inflation is low at around 1.2 per cent a year and is not expected to go much above 1.7 per cent. Interest rates are also extremely low, with the discount rate at 2.5 per cent. IMF figures suggest that Japan will grow much faster than the US and UK in 1989, with real GNP forecast to rise by 4.3 per cent.

However, there are some clouds over the rising sun, like the Recruit scandal, which exposed shady business at a high level in business and politics, and led to a cabinet reshuffle this week in which the finance minister was replaced.

Another concern is that heavy demands for cash from new issues could dampen the market. Japan also had a very good run in 1988, so it is not exactly undervalued. By western standards, the price earn-

ings ratios on Japanese shares are outrageously high, and the dividend yields are negligible. Institutional investors may need a sizeable exposure to the market, but many private shareholders still feel wary.

Elsewhere in the Far East, Hong Kong is expected to have a property-led run in the first quarter, followed by a slow-down, according to John Gates at EZW. There are a number of problems which threaten the market: inflation is accelerating, fuelled by a shortage of skilled labour and imported price increases from China.

Singapore is currently booming, with Gross Domestic Product (GDP) up by 10% in 1988, and expected to rise by 7.5% over 1989. However, it is highly vulnerable to any downturn in US imports. Korean funds have proved particularly attractive to US investors, while Thailand is attracting foreign investment at a record pace.

Of course, economic fundamentals are only a starting point. Outperformance is all about beating other people's expectations. That's why plenty of expert strategists will get it all wrong in 1989.

Compensation fund

FIRST, THE good news for motorists. Under an EC directive that comes into force from January 1, motorists whose cars are damaged by a car driven (illegally) by a someone with no insurance will be able to claim compensation. The bad news is that the cost of providing this compensation will have to be met by a general increase in motor insurance premiums.

what kind of increases in premiums are likely. If you are involved in an accident with an uninsured driver, you have to deal with the Motor Insurers' Bureau direct and you have to pay the first £175 on any claim yourself. When making a claim for compensation, you have to provide evidence that the driver who caused the damage was uninsured.

Since it is an offence to drive without insurance, an insured driver would hardly claim to be uninsured simply to retain a no-claims discount. The bureau provides claim details to the police. Motor Insurers' Bureau, New Garden House, 78 Hutton Garden, London, EC1N 8JQ. Eric Short

COMPANY NEWS SUMMARY

Table with columns: Company, Bid for, Value of bid per share, Market price, Value of bid, Bidder. Lists companies like Argyle Trust, Armstrong Equip, Avdel, etc.

PRELIMINARY RESULTS

Table with columns: Company, Year, Pre-tax profit, Earnings per share, Dividends. Lists companies like Appleton, Cifer, etc.

INTERIM STATEMENTS

Table with columns: Company, Half-year, Pre-tax profit, Interim dividends. Lists companies like Amalgamated Fin Inv, Callena, etc.

RIGHTS ISSUES

Marlow Petroleum to join US oil via an introduction.

RESULTS DUE

Table with columns: Company, Announcement date, Last year, This year. Lists companies like Abbey Panels Investment, AM Healthcare, etc.

TREAT YOURSELF! Choose your ideal holiday from our expanded Travel section. Every Saturday from 31st December.

EXPATRIATES

Peter Gartland offers advice

The moral of the story

AS 1989 begins, your new year resolutions may include something along the lines of looking after your personal finances more carefully. The events of 1988 have left some morale to be drawn in the world of personal finance.

Good news for expatriates who have worked in Saudi Arabia over the last decade. You will almost certainly have laid into the General Organisation for Social Insurance (GOSI) - a sort of State pension. However, GOSI contributions are no longer compulsory for expatriates and the Saudi authorities are thought to be prepared to refund contributions paid in over the years.

MORAL: Wherever you live now, contact your nearest Saudi Arabian embassy and ask what documentation you need to produce to obtain a GOCI refund. Peter Gartland is Editor of The International, the FT's magazine for expatriates.

MORAL: Avoid share-pushers like the plague. If you're suffering long-term shock effects from 1987's Meltdown Monday, you may prefer to keep your money on deposit. Britain's once-sleepy building societies have 'discovered' expatriates in a big way in the last year or two. Interest rates of around 13 per cent with no tax deduction are not unusual.

IN THE NEWS

Property forecast

BRISTOL & West Building Society forecasts that property prices will rise by around six to seven per cent over 1989 nationally, with higher increases in the North and Midlands as prices there catch up.

NATIONAL Westminster Bank not only announced an increase in mortgage rates this week but the offer of £200m in fixed rate endowment or pension mortgages at a rate of 12.75 per cent. This will apply for a two-year period to March 31 1991 on mortgages of over £20,000.

CHASE Manhattan is increasing the borrowing rate of interest on its Visa card from 15.9 per cent to 22.9 per cent. It is also raising the rate of interest

David Barchard on the growth of a different form of payment

The debit card becomes a success story

YOU MAY not have noticed it, but 1988 has been the year of the debit card. At the start of the year, there was only one debit card - Barclays Connect - available and only 800,000 of them had been issued. Moreover, many retailers were reluctant to accept it.

The advantages to the consumer are much more debatable. Banks have basically two arguments in favour of debit cards. Firstly, they are more convenient than cheques which involve all that bother of writing them out and there is no £50 limit. Secondly, they appeal to people who don't like the idea of using credit. Apparently there are still a fair number of these virtuous individuals around.

Neither of these arguments seems very strong. The £50 limit on cheques for example. The £50 limit on cheque guarantee cards is one the banks have created themselves in a little

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY. Table with columns: Quoted rate, Compounded return, Frequency of payment, Tax, Amount invested, Withdrawal.

PROPERTY/GARDENING

An agony uncle writes

John Brennan offers advice to those with housing problems



Yours is a classic case of exodus phobia, the terror of finding that the customers have moved up the rail lines just as the coaching lamps go on in your latest outcrop of executive cottages...

highly nervous people. "Probably not homeless" no fixed abode writes: "Reading the paper that wrapped myself in the other night I was thrilled to learn that new housing regulations will effectively end the problem of homelessness in Britain..."

Gardening A kind year for plants

Robin Lane Fox on a season of mists and mallow fruitfulness

GARDENERS will be saying a sad goodbye to 1988. It was the kindest year in living memory: a brief cold spell in February, some surprisingly sharp frosts in the week after Easter, but otherwise that heavenly mixture of rain and mild winters which alienates anyone with a hint of delirium trying to establish new plants...

Next year Bouncing Bet will fight in a less refined bed

culty in naming my plant of the year. In April I bought young plants of the new Tree Mallow Lavatera Barnsley, from Hopleys of Much Hadham, Herts. They grew furiously, reached five feet, flowered continuously from June until November and transformed beds in which they stood, like sentries, at five-yard intervals...

READERS' letters suggest a degree of confusion about the property market as it tumbles into 1989. But "Concerned Homeowner" and "Bewildered House Agent" alike can relax. The Financial Times' annual residential agony column braves the intricacies of the Financial Services Act to provide the answers that non-plink papers fight shy of revealing...

"I've tried everything, but I just can't seem to get people to stop spending money on, and in, their homes. Higher interest rates take forever to slow spending; once up, they have to stay high or we'll have a sterling crisis, the trade gap will get wider, and rates will have to go up again, and... it's not much fun anymore. My house comes with the job, and if I can't find a way out...



of this I'll have to get another mortgage, or commute... you must help...

"Seriously Misunderstood" of Westminster seems to have ended the year on a sad note, and it's easy to see why. Quite apart from the direct impact on household spending of rising property prices and higher mortgage for new buyers, there's the effect of equity release by existing owners on retail sales...

Daisy gives us an answer

AS WELL as the routine run of flower seed novelties produced primarily for commercial growers of bedding plants and municipal gardeners there are, in 1988, a number of varieties of special interest to home gardeners which are unlikely to be available in any other way than as seed...



or propagator some time in mid-February or mid-April and planted outdoors in a sunny place in late May or early June. Another good new plant that will have to be raised at home this coming year is Poppy Summer Breeze. There are no doubts about the novelty of this since it is one of those first-generation (F1) hybrids that have to be remade by the plant breeder every year...

as an annual, sowing in greenhouse or frame in March and planting out in May or early June. But this is such a new plant in every way that it is going to take a year or so to evaluate it fully and discover the limits of endurance and its adaptability. Samuel Dobie, now based at Broomhill Way, Torquay, is launching it...

which is best grown as a half-hardy annual, raised in March or early April under protection of some kind for planting out in late May in good rather moist soil; just the plant to grow beside a pool or stream. Nemesis Mello seems to be exclusive to Thompson and Morgan and they give no built-in guarantee that it is but it certainly looks a winner and they evidently think so since they have chosen it for their cover illustrations both front and back...

Arthur Hellyer

COUNTRY PROPERTY FAIRBRIAR HOMES WHAT'S YOUR VIEW OF RICHMOND PARK? THIS IS OURS! at King George Square

BRONTE COUNTRY HAWORTH WEST YORKSHIRE A delightful cottage situated in the heart of this famous village...

CORNISH MANORS ST IVES/PENZANCE Now 2/3 bedroomed Holiday Homes in grounds of Cornish Manor...

INTERNATIONAL PROPERTY NORMANDY; MANCHE VACANCES Provide cottages in lovely Normandy £20,000 - £60,000.

RENTALS NATIONAL COUNTRIES SPECIALIST FURNISHED LETTINGS Top quality properties available in commuter belt of Surrey and SW London

ANDORRA BUY DIRECT FROM BUILDERS ANDORRA-THE TRUE TAX HAVEN Full sales, management and rental service.

SELL YOUR HOUSE Through the Weekend FT Property Pages To advertise your property in the Saturday property pages, simply complete the coupon below and return it to: Francis Phillips, Classified Sales Manager...

DAY DECEMBER 31 1988
es and
1988
year for author

DIVERSIONS

The tortured path to a take-away restaurant

Nigel Spivey reports on the fluctuating fortunes of a Vietnamese refugee family

IN TIME of the breaking of nations, the family broke too. After the bombardment, troops raided the house: they found the gold turned into a dog's lead, the diamonds concealed in ice cubes; ripped down the silk hangings, smashed the jade lions, emptied the wardrobes and the drawing-room. The troops were men from the North and they enjoyed themselves in the vicious rage of war.

After the raid, the father and four of the children made an escape. They purchased their passage on a fishing smack leaving that night for Hong Kong. The boat edged across the South China Sea without lights, steered by villagers with cheroots in their mouths and revolvers on their hips. The father and the four children were sealed in the hold with many others, bearing with them nothing but a flask of jasmine tea. As a solace, the father crooned old Mandarin stanzas to himself and his children.

In the vessel's hold it was perpetual night but the land of freedom, when they reached it, was hot and bright and gurglingly enfolded them. They were given cages to sleep in, and immediately permitted to eat. Each set the father and his children set to the assembly of transistor radios from dawn till nightfall. After six months, clad in new cheap clothes and carrying suitcases, they boarded an aeroplane and flew to Britain: a chilly, rain-soaked

children were taught to chant new songs about their new country. Down with silks and satins! went one. Hail to shiny calloused palms!

Everyone in the camp was assigned a series of chores and duties, including the children. It was mostly tith and haulage whatever, it was made as labour-intensive as it could possibly be. The mother was given a plot to work. This was no more than an acre of scrubland, where trees had been cleared previously; but it bore two wild fruit bushes, which the mother tended and preserved. She cut back the weeds and hoed out their roots. She bent over the ground all day, with her billhook and her mattock. The callouses duly appeared on her hands, and her palms began to shine, but she grew accustomed to working under the sun. The mother collected sacks of droppings to enrich the soil. When the beds were ready, she planted them out according to the needs of the camp: potatoes, tomatoes, beans and cabbages.

In the first few weeks her work was inspected and criticised. The inspectors would also test her motivation. "Clean your tools every evening," they would say, or "Be cheerful when you spread the dung. You know what we say? And she did: 'He that does not work, neither shall he eat.' Gradually the supervision faded away. The mother kept her tools clean, and she spread the dung cheerfully. She had no word from her husband, no knowledge where he and the other children might be, no idea whether they were dead or alive. But in the heat, and amid land, her plot flourished. She even gained permission to grow chrysanthemums. The wild fruit bushes were augmented by saplings that would become apple trees and pear trees. In one patch a crop of ginger was established.

When the blue-suited told her, after a year, that she was to go, her first thought was: who will look after the plot? They did not tell her where she was going, but she was relieved that her children were coming with her. They were all bundled into the back of an army lorry and driven to an airstrip, where a quantity of paper was impressed by rubber stamps, and many troops stood around, in an insolent manner. Little in an explained to them, but they understood that they were to be reunited as a family, by foreign request.

THEIR clumpy sandals and coarse cotton smocks attracted discreet attention in the outlandish land to which they were flown, a land of deep green fields and swollen grey skies. Its inhabitants were less enormous than the Americans they had seen in Saigon, but equally pallid or red-faced. Standing in the airport, the mother observed that the pallid ones were rushing around noisily with luggage and business, while the floors were swept silently by black men and women.

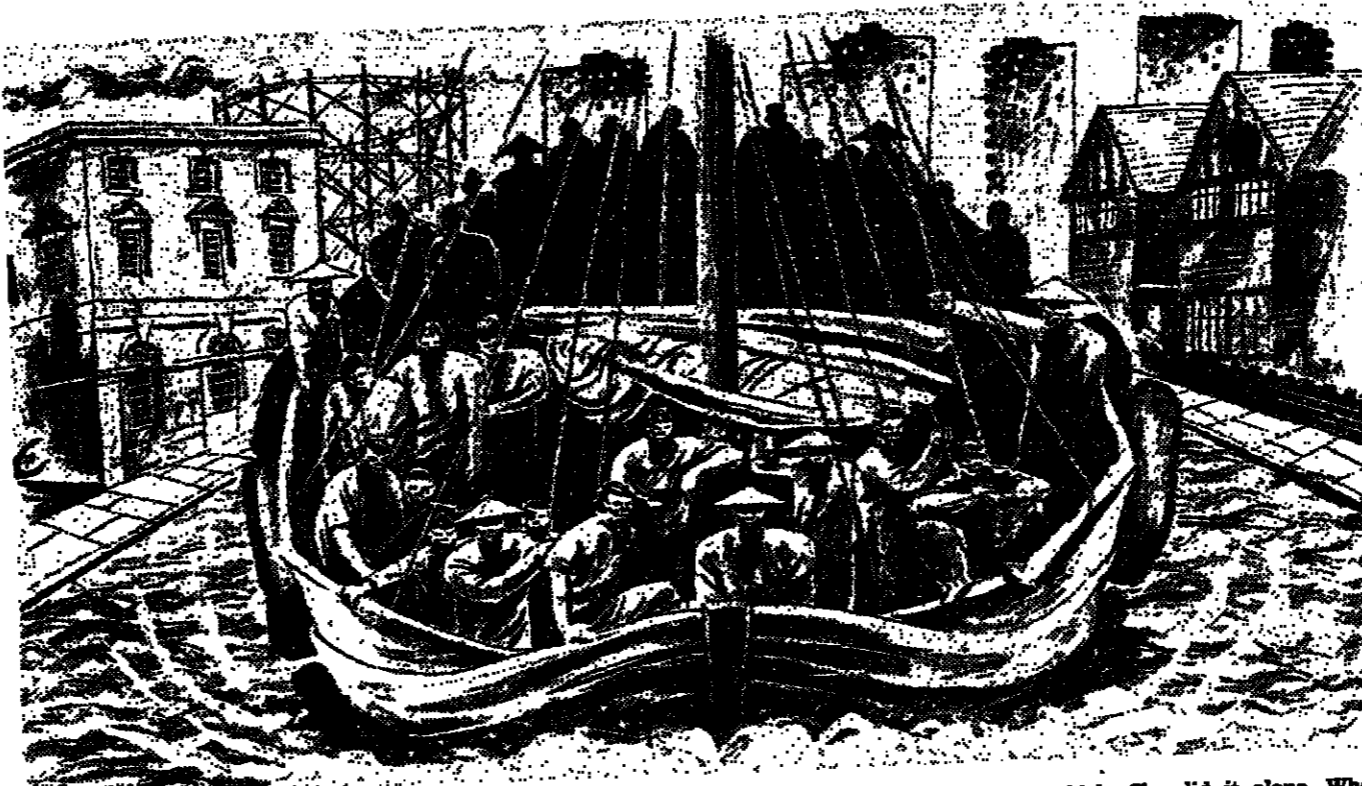
Then they were escorted and bussed along fast roads to a great conurbation, in the depths of which they found the rest of the family: father in a pin-stripe suit, a size too big for him, but a suit nonetheless; a willowy girl, wearing red lips, blue jeans and white

The mother communicated by pointing or flapping her hands

shoes; and three lanky adolescents, just men enough not to let tears to their eyes. And these for their part strated to recognise the figures that emerged from the bus, all with a tight skin and baggy trousers, and wearing - could it be that they were wearing bits of tyre on their feet?

The children adapted. Children do. The new arrivals soon learned not to repeat their jungle-camp chants in front of the father, or he would become choleric. They were introduced to milk and cheese, and began to milk out; they sat at desks and learned how to read and long divide and destroy aliens on computer screens. Television was a treat, and they grew especially fond of two buffoons who clown about in monochrome, to whom they referred in their native tongue as "Fat Man and Thin Man."

The mother learned little of the local language. Her willowy daughter had already become accustomed to dealing with technical domestic matters: the various men who called with peaked caps and notebooks to poke their heads under the stairs, collect money and dispense medicines. The mother found that mostly she could make herself understood by pointing or flapping her



hands. Increasingly, she addressed herself to the garden. It had been the first thing she had noticed: how it was cluttered with rubbish, how the grass was overgrown, how

the roses had gone wild. Previous inhabitants had kept it properly, once. After the fuss of the reunion, she went out and dead-headed the roses, and noticed the former morphology of flower-beds and pathways.

She alarmed her husband by reprimanding him for the neglect, and before long she had procured a few tools, and set about the necessary work. She cut back the unwanted foliage, and cleared the rub-

bish. She did it alone. When her children were yelling at the antics of Fat Man and Thin Man, or quarrelling over their schoolbooks, she was out there. Her authority in this home, in this land, was a

mockery of what it had once been. The children were hers, but had passed beyond her. They were at home, with their new language, their new music; she was, and would remain, a foreigner. Her husband fretted over the fate of his eldest son, fretted over money, fretted over everything; for unlike the old poets he used to croon, he refused to regard the world with the whites of his eyes. The mother cared for him, dabbing balm on his temples when the medicine man supplied pills, and maintaining the flow of jasmine tea. But the garden was her proper work. Wherever the land, soil was soil. Soil would yield, if it was worked.

So she persevered with her hoeing. She was watched by her neighbours, whose rubbish had been tipped into the garden. Some continued to tip rubbish into the garden, by night, and encouraged their cats and dogs to use the place as a toilet. But not everyone was hostile. An elderly, corpulent man used to amble past the back watching the mother as she hoed. One morning he took his pipe out of his mouth and spoke to her. She was tugging and tugging at the mass of snaky white roots that infested the earth and frustrated her cultivation. "Breaks yer back, that! Them's quitch-grass, missus.

Right tough buggers to get shot of, them. Yer wants to burn them!"

His words were incomprehensible and she giggled with embarrassment, but she understood that he was speaking from kindness. He had an allotment himself, to which he repaired every morning, partly to tend it and partly to smoke in peace. His name was Bill, and he thought jasmine tea a right queer brew. His benevolence was valuable, and gradually the youths crashed less often into the garden on a Saturday night, shouting and urinating against the wall and stamping on the new plants. For whenever it happened, the mother would replant. And replant. And replant.

THE FAMILY are still in the depths of a British conurbation. The father dreams of a restaurant but has settled for a take-away. It looks very much like any other oriental take-away, with its shocking green decor, plastic bamboo and the obligatory television-set mounted on the wall. The usual culinary concessions have been made to indigenous taste, or lack thereof: hence chipped potatoes, curry sauces, and so on. But the vegetables are as fresh as they could be. The vegetables have been grown with care.

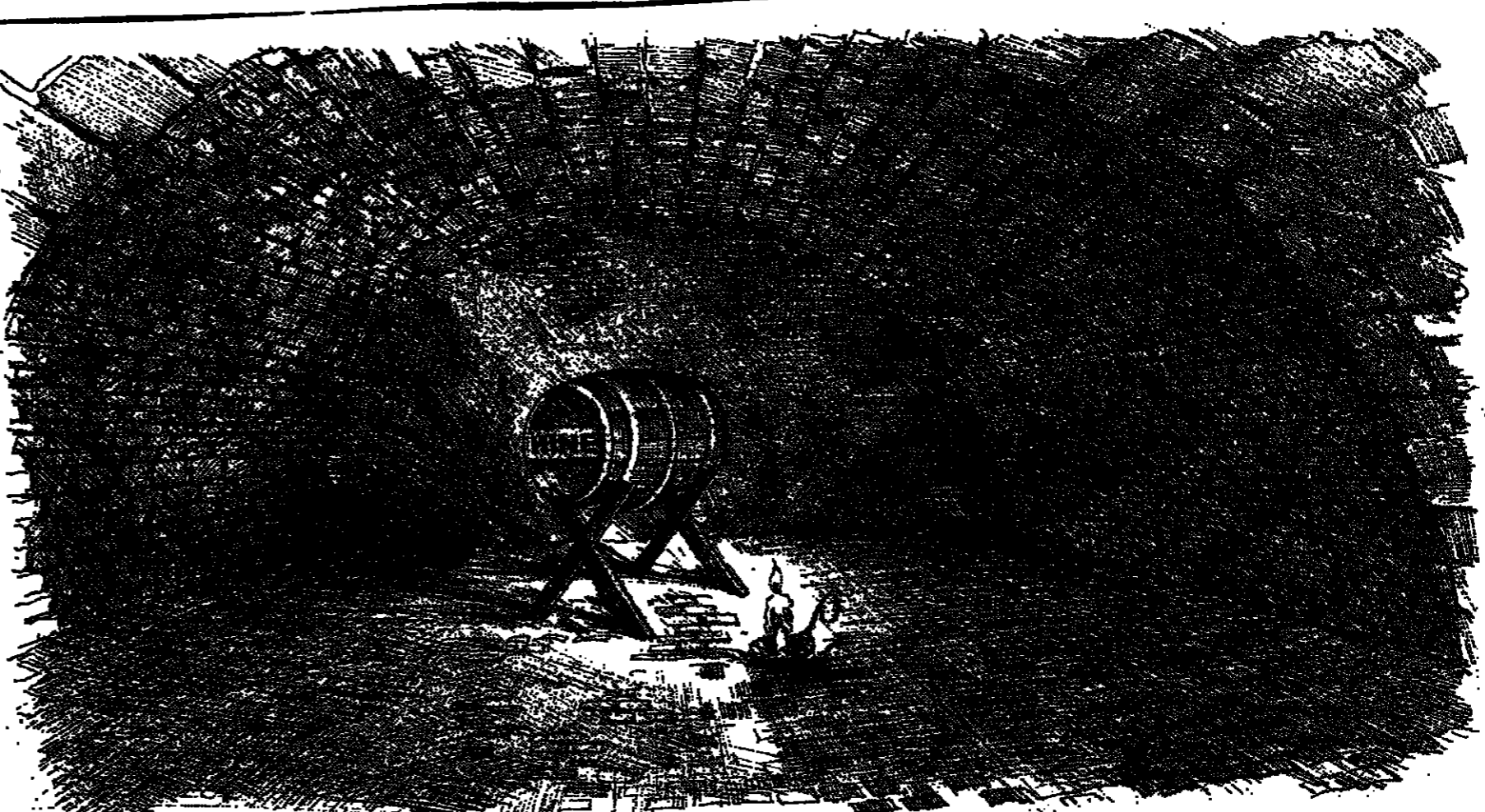
As a solace the father crooned old Mandarin stanzas to himself

country for which few of the clothes were suitable. But that did not matter. The place where they were received was sent bundles of old coats and woollen jerseys, maldorous but snug, and the father acquired what seemed to him to be a sort of knitted helmet, which he proceeded to wear both indoors and out. Beside ladies plucked nits from the refugees' hair and drilled phrasal verbs into their brains. The children learned the language quickly, the father less so. But he tried hard, padding about in his furry slippers, never without a little mug of jasmine tea and once, when he came across his children playing a board game with false money and little plastic houses, when they should have been doing their homework, he lost his temper. He tore up the multi-coloured money and kicked the little plastic houses furiously shouting at his children. "Read your books! Learn the knowledge! Why, why? Because," he cried, drumming his forehead with his fingers, "because what you keep in your head are the things that no-one can take away from you! Understand that!"

And each week he wrote to his wife, and posted the letter but never got any reply.

THE MOTHER. What has become of her? She stayed for a while in the ransacked house, with six other children. The eldest was 21; he was taken out, by a rubber stamp on a piece of paper, and was never heard of again. The five young ones, with the mother, were transferred to a camp in the country. It was a large jungle clearing whose perimeters were marked but unguarded. Beyond it were tigers and quick hungry lilies and were claws. Hundreds of people, of all ages, in mud-brick barracks. On the day that they were all paraded together in front of a thick-set man who addressed them through a megaphone. Other men, dressed identically in blue jackets and trousers, moved among the assembly, stopping to remove spectacles and confiscate fountain pens, watches and personal valuables. The watches and valuables disappeared in a sack, but the spectacles and fountain pens were deposited at the feet of the man with the megaphone. His discourse and his leatras became inflamed; he went into a frenzy, and began to dance and stamp on the pile. The spectacles belong to yesterday! roared Mr Megaphone. "The fountain-pen of today is the hoe! You will forget your education of yesterday! All has changed! You will be re-educated for tomorrow!"

And so the mother and her children found themselves in rough simple clothes, on a rough simple diet, and put to rough simple work. The sandals with which they were supplied were fashioned out of old tyres. They attended classes, and learned about a Mr Lenin, for whom a threadbare overcoat had always sufficed. The



You may have heard tell of the extraordinary nature of Hine Cognac. The lustrous golden clarity. The aroma that plays melodies even on tone deaf noses.

The taste that can charm the harshest tongues. You may have heard tell in a loud and hearty reference made at an elevated dinner. Or in an item of boastful Garrick repartee. But although such stories have no doubt reached your ears, it is still possible that the taste of Hine Cognac has not yet reached your lips.

For Hine is rarified. Hine is rare. Made, as it always has been, by the Hine family themselves, in the old, unhurried way, there is and never has been room for compromise.

The wines that become young

After all... just how much fine COGNAC can ONE family make?

cognacs are chosen by Jacques and Bernard Hine in person. The proud young cognacs that will later be aged, also have to be entirely to their taste.

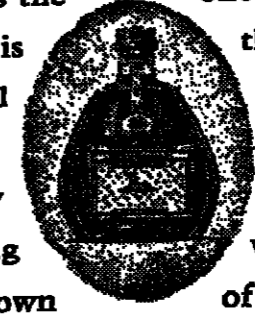
Then for the best results the maturation of the cognacs is only done in traditional small oak casks.

Finally, two noses only hold the secret of blending Hine Cognac. Passed down from Thomas Hine himself, the man who founded the company in 1763, the noses and the secret remain privy to Jacques and Bernard Hine alone. No-one else blends but they.

So you see why Hine is rare and you understand why men might make mention of having tasted the coveted nectar.

So the next time you hear someone employing a story about the taste and nature of Hine at some extravagant occasion - you may wish to stop that person, enquire closely where they obtain their stocks of Hine; then take yourself to that haven immediately and purchase a few bottles for yourself.

And if that is your good fortune, perhaps it is advisable to keep this king of cognacs quite entirely to yourself.



DIVERSIONS

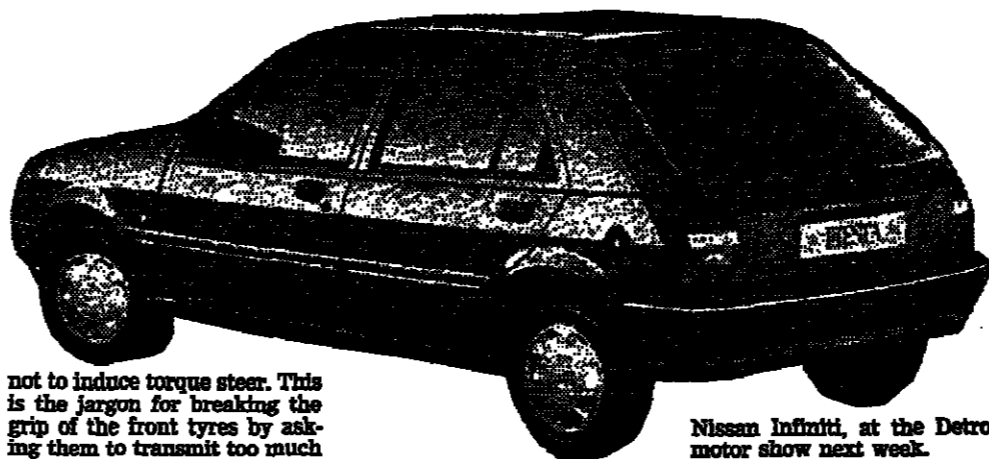
HOWEVER YOU look at it, 1988 has been a motoring year to remember. For one thing, Britons bought more cars than ever before. Exactly how many will not be known for a week or two but the total must top 2.2m compared with just over 2m last year. If you want to know why traffic congestion seems to be getting worse in spite of new road-building, look no further.

The crop was heavy but it has also been a vintage year. Looking back over the past decade, I cannot think of a single year in which so many new cars of real merit were introduced — or, at any rate, arrived in British showrooms. The year began with the unveiling of the Fiat Tigo which predictably — and, in my opinion, rightly — was chosen as European Car of the Year 1989 a few weeks ago. Next, the BMW 5-Series saloons made their bow. If the Tigo is the family hatchback all the others now have to beat, then the 5-Series sets the standard in the middle reaches of the executive car market. Peugeot's outstanding 405 arrived in Britain early in the year, having been named European Car of the Year 1988 in a near walkover. The estates — I have only one on test now — are just one putting in an appearance. My wintry drive to Geneva for the motor show in March was in what I rate the world's best large and really modern luxury saloon: the five-litre, V12-engined BMW 750L. I see no challenger for this supreme car for at least another year. The Passat, Volkswagen's first new medium-sized car for many years, impressed me less than I had thought it would. It is made solidly, shaped scientifically and roomy within, but was so over-gearred for anything but autobahn driving

Motoring year to remember

Stuart Marshall on cars of '88

that even the version with a 16-valve engine lacked sparkle. Audi made the same mistake with its luxury V8 much later in the year. Unless you spend most of your time in West Germany, a car's ability to cruise quietly at 110-140 mph (177-225 kmh) means absolutely nothing. And if it makes for inflexibility at the sort of speeds on which British law insists, then it is counter-productive. Rover swam against the stream by introducing a hatchback version of the 800 at a time when the rest of Europe feels that small cars need tall-gates that have big ones are better with less. Having said that, the 2.7-litre, V6-engined Rover Vitesse made a very good impression, just as its saloon equivalent, the Sterling, had done earlier in the year. Now they have moved, the Rover 800s go as well as anything in their class and are better value than most. If any manufacturer (or, in this case, importer) deserves a prize for boosting sales by changing its image, it must be Citroën. Until quite recently, Citroëns were loved by enthusiasts but eschewed by everyone else. The BX proved that the benefits of sophisticated, self-leveling suspension can be enjoyed in an otherwise straightforward, easy-to-service car. Even company fleet managers are no longer frightened of Citroëns. Most remarkably, the BX has for some months been Britain's best-selling diesel car. More



than 18,000 have been bought (one of them by me). In other words, just over one in eight of the 100,000 odd diesel cars registered in Britain this year was a Citroën BX. Another car that made a good impression when I drove it in France, first on a private circuit and then on public roads, was the Renault 21 Turbo. It had a Japanese level of equipment; the performance, refinement and handling of a BMW; lovely leather trim; and is well over £3,000 cheaper than an admittedly even more potent Ford Sierra RS Cosworth. A British-built Nissan Bluebird automatic I picked off the assembly line took away unimpressed and used for some months was comfortable, parkable and totally reliable. I found its styling pedestrian but it had power steering, windows, sunroof and aerial and heating/ventilation as good as you will find this side of full air-conditioning. Vauxhall's Cavalier will be one of the undoubted successes of 1988. It is bound to become the medium-sized best-seller in the fleet market which Ford has become accustomed to dominate. The front-wheel driven Alfa Romeo 164 was, I thought, a stunning car when I tried it on the dry roads of France in the summer. On the rain-slicker surfaces of an English autumn, I had to be careful when accelerating in the lower gears so as not to induce torque steer. This is the jargon for breaking the grip of the front tyres by asking them to transmit too much turning force. Really, any front-wheel driven car with more than 150 horsepower under the bonnet needs careful handling in the wet. Four-wheel drive, as fitted to the Audi quattro, is the complete answer. Automatic traction control, which works like ABS brakes in mirror image and reduces the power going to a spinning wheel, is far cheaper, less complicated and a reasonable compromise. The new Audi 90 coupe with quattro transmission behaved quite brilliantly in this winter's first heavy snowfall in Bavaria last month. At close to £23,000 on the road, it is expensive but when roads are like skating rinks you realise the money has been well spent. Four-wheel drive even tames a car as inherently fierce as a Porsche 911 Carrera 4 with a six-cylinder, 250-horsepower engine that has more cars have their bow. Looking to next year, early newcomers will include the Renault 19. This will, I suspect, make as many friends among those who buy cars with their own money, than any other new car in the past. Citroën's very lively and super-economical AX diesel will be here in March, priced only slightly higher than petrol versions of

Fishing Lines that please

FISHING BOOKS are, very broadly, divided into three categories: instruction, reference and reminiscence. On the whole, I much prefer the familiar and unfamiliar, of adventures at home and in odd places abroad, of triumph and disaster, of another man's pleasure in his fishing. The trouble with books intended to educate is that a great many people believe they have something significant to say about fishing, but only a minuscule proportion are justified in that belief. To put it another way, most books of instruction are tedious, derivative and depressing. Having said that, I was surprised to find that the new book I have enjoyed most of late is a work of serious education by John Roberts (published by the admirable Crowood Press at £16.95) is a searching and thoroughly stimulating analysis of dry fly fishing in rivers. Crowood Press has a collection of reminiscences by Arthur Oglesby, an eminent salmon fisherman. Having declared a preference for this genre, I should add that it is extraordinarily hard to bring off. The ruminative approach requires a literary skill of a high, although well-disguised, order to succeed. I should not say that Oglesby has this skill. Indeed, he admits disarmingly that — despite his immense output of books and articles — he has always found writing difficult. But ample compensation for his earthbound prose style is provided by the immensity, and geographical variety, of his experience. There is also a cosmopolitan flavour to Alynor Tryon's slender volume of memories, *The Quiet Waters By* (Widley £12.95). The titles of the chapters — Iceland, Norway, Chile, Australia, Antigua — promise much to those who dream of fishing in distant lands. But some of these chapters are under-nourished to an annoying degree. Tryon aspires to a more "literary" style than Oglesby and he commences vividly the excitement of pursuing salmon in Iceland and the Dorset Frome. But I wish he had more to say; an hour's read at such a price is short measure.

You cannot make that complaint about John Goddard's *Waterside Guide* (Dunlin Hyman £7.95). This has no pretension to literary excellence, being a reference book of the insects of lakes and rivers. The text is clear, the photographs numerous and excellent, and the volume is of a size and shape that makes it easy for it to be slid into bag or pocket. Another invaluable work of reference is Bruce Sandison's *Fishing in Scotland* (Maidenhead £14.95). I doubt if anyone knows more about the subject than Sandison, who is also commendably passionate about his sport — witness his ferocious attacks on those responsible for blighting so many wild mountain landscapes with afforestation. Of the other books to come my way, I can recommend the new edition of Fred Buller and Hugh Falkus's massive and indispensable *Freshwater Fishing* (Stanley Pict £29), as well as Robin Armstrong's *Kilwey-*



cratic *Split-Cane and Sable* (Dent £12.95) and *Staff Price's Fly Patterns* (Ward Lock £14.95). I should also congratulate David and Charles for publishing *The Best of Dick Walker's Coarse Fishing*, a selection from the articles written by that master angler for the *Angling Times* over quarter of a century. I have a final thought, or rather an appeal to 'serious' writers. Could we have a manual on figures of speech involving missiles. We have Sandison referring to "Excessity, mosquitoes" and Oglesby describing one salmon leaving the water like a Polaroid, and another like an Exocet. What's wrong with a salmon leaping like a salmon, for instance?

Tom Fort

Time for drinkers to take stock

Edmund Penning-Rossell assesses the 1988 wine vintage year

D RINKERS who take their wine seriously must be collectors, and that implies having either a cellar or a reserve of wines with a traditional merchant who keeps it for a charge of about £3 a case per year. Other expedients include a temperature-controlled garage (expensive) or an insulated pantry or north-facing room. Even a "cellar" under the stairs is better than nothing. However arranged, this provision enables you to buy the wines of your choice more or less as soon as they come onto the market (although, if purchase of *en primeur* claret or red burgundy is concerned, a couple of years will elapse before it arrives). Following something of a standstill in the wine auction market, there has been a certain amount of disillusion with what the Americans call "futures," but, for most of us, the main reason for buying fine vintage wines early is to secure them while available readily, not to make money out of them. Today, no wine merchant can afford to keep a reasonable stock of vintage wines until increases in price to take account of the capital locked up. Very few merchants can be relied-on to supply, say, two or three bottles of a 10- to 15-year-old claret or burgundy at

a reasonable price — reasonable, that is, to the customer. These reflections arise because it appears that 1988 was a good to very good vintage year in most of western Europe and some of its wines will be on the agenda for purchase in the course of the coming year (they should, at least, be chalked up in the memory for future acquisition). Moreover, this is a good time of year to consider your reserves and possible purchases in view of consumption in the past 12 months. If and when the 1988 clarets are offered by some wine merchants next summer, I believe they should be considered seriously, from classed growths to *petits châteaux*. As the merlot grape was particularly successful, the right-hand wines of St Emilion, Pomerol, Fronsac, Bourg and Blaye may be favoured. Meanwhile, there are previous vintages to be looked-at. For drinking, the minor wines of 1982 are now often very enjoyable while the written-down 1984s, subject to professional advice in a variable year, can be fair drinking. There are those in Bordeaux who rate the 1986s higher than



the 1985s, particularly for the St Emilion and Pomerols, but they will be slow developers. It must always be borne in mind that the great years nearly always take a long time to reach their peak, whereas the moderate vintage will develop much more quickly. For burgundy, anyone who has not acquired the red 1986s should do so, especially though they are. They should also plan to buy the excellent 1988s and, with professional recommendation, some 1987s. Among white burgundies the 1986s are better than the 1987s and are exceptional but, once again, some good 1987s can be found. Owing to over-production, the 1988s are variable.

Fine burgundy (i.e. above £10-12 a bottle) needs to be bought either on the reputation of growers' names or those of leading merchants. The high price of Côte d'Or red wines has focused attention on the Chalonais wines of Givry, Rully, Mercurey and Montagny, where good reds and whites were made this year and should be buyable at reasonable prices. For price reasons, too, the long undervalued red Rhône has become increasingly popular — and increasingly expensive. The 1988s are said to be outstanding, both in the north (Hermitage, etc.) and in the south (Châteaufort, Gigondas, etc.). But the vintage to buy now is 1985, when some splendid wines were made. Good wines also were produced along the Loire but these are not generally to be laid down, although Sancerre and Pouilly-Fumé from a good year can be surprisingly attractive, if more burgundy-like, with a couple of years or so in bottle. In Alsace, the most undervalued fine wine region of France, 1988 was a particularly successful year. The vintage

has been compared with the outstanding year of 1983, but it will not be generally available for a year or so. Meanwhile, 1985 produced some wines well worth laying down for four or five years, particularly the Reislings and Gewürztraminers. Germany has suffered from a combination of poor quality wines, scandal, and a lack of good vintages in the '80s. It is good news, therefore, that 1988 has produced probably the best wines of the decade so far, although in a small quantity. Thanks partly to the steady D-mark, fine German estate wines are proving excellent value for quality. The 1988s from leading Moselle and Rhine estates are worth buying for drinking now, while the 1983s are better still and could be put away for a few more years. A small quantity, but excellent quality, also is reported from Italy. This applies particularly to Piedmont and Tuscany. Although it is acknowledged generally that Barolo and Barbaresco from Piedmont call for considerable ageing and, on the whole, are not mar-

Advertisement for Harrods wine sale. Title: 'THERE IS ONLY ONE WINE SALE.' Table listing various wine bottles and their prices. Includes Harrods logo and contact information.

Advertisement for 'This calendar whirl'. Features a cartoon illustration of a man and a woman. Text describes a calendar featuring 365 days of illustrations and facts, including a section on killer whales.

Advertisement for 'DO YOU KNOW WHERE YOU'RE GOING IN 1989?'. Includes sections for 'MOTOR CARS', 'INVESTMENT', 'PERSONAL', and 'CLUBS'.

RECORDS

This was the year in which stars of the past reappeared on CD. FT writers assess the releases and choose their favourites

CRITICS' CHOICE: THE DISCS OF '88

Rodney Milnes

One of the most startling records of the year was EMI's single CD of extracts from Turandot live at Covent Garden in 1987...

grooves like tongues of fire. Unmissable. Otherwise it is tempting to cheat and select bits of recordings...

Gewandhaus Orchestra. Enough cheating. The first operatic issue on the new Virgin Classics label was Paul Sargon...

I responded surprisingly positively to Bernstein's A Quiet Place (DG 419761-1/2), surprisingly in that I feared this heart-on-sleeve family melodrama might be a little overheated for my delicate Anglo-Saxon sensibilities...

Second, Sondheim's Into the Woods (RCA 6796-2RC). Usually you know when Sondheim is being serious (Merrily We Roll Along is his Quiet Place), but here he's playing with us here...

Ronald Crichton

One of the most enjoyable experiences offered by the gramophone today is the opportunity of getting to know a voice from the past...

or twice in a lifetime - it has still to be given at the Paris Opera. It is time for a Milhaud revival. Christophe Colomb...

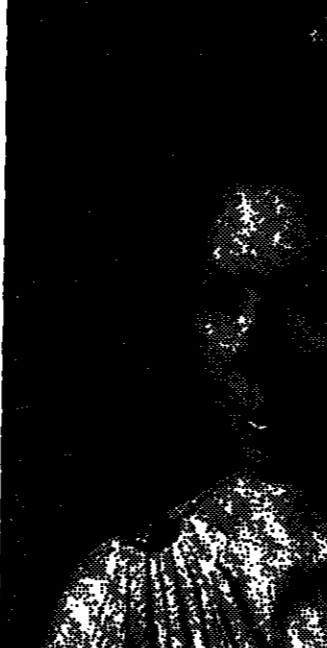
Richard Fairman

This year it seems more difficult than ever to resist the temptation of invoking the Spirit of Christmas past...

For modern performers it must be a nightmare: they have to play against a spectral army of the greatest musical spirits of half a dozen generations...

The most exciting event of the year has been the start of a new complete Schubert Lied cycle. As the previous attempt at this megaproject by Fischer-Dieskau did not include the female songs...

Next, an undisputed first. Britten's opera Paul Bunyan, written in his American period during the war...

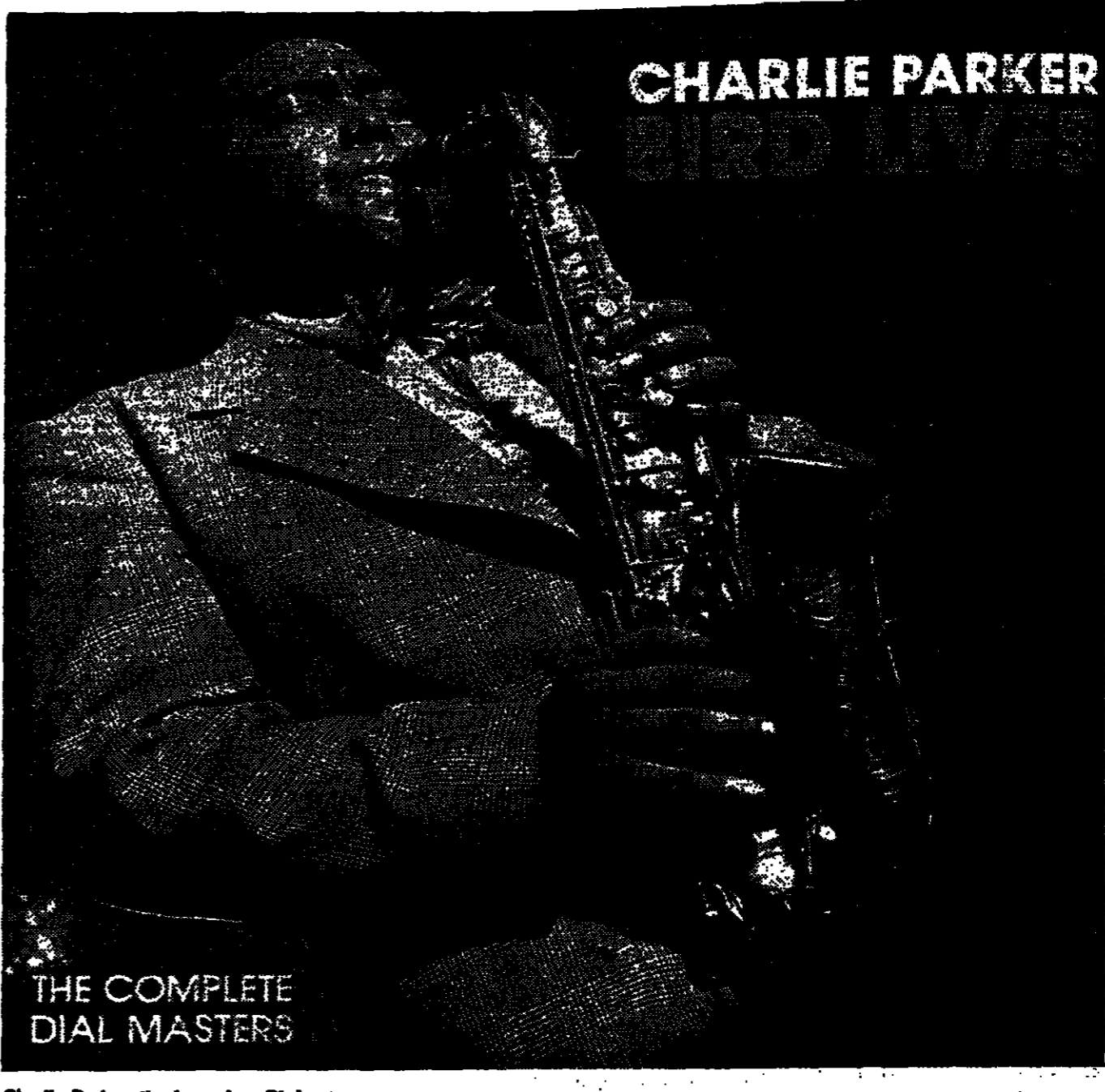


Dame Janet Baker

with unforgettable poetry by Anne Sophie Mutter on both occasions, has been recorded just in time for inclusion...

A more subtle first comes in the shape of a new recording of Strauss's opera Die Frau ohne Schatten...

Now for an "original" first. The practice of performing music on authentic instruments has continued its march...

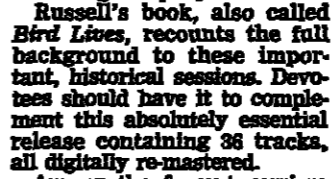


Charlie Parker, the legendary Bird

Kevin Henriques

As far as jazz is concerned 1988 could be described as the Year of Bird (Charlie Parker), bebop (the style of jazz he helped create) and the saxophone...

Scottman Tommy Smith has received wider media coverage than Barnes, originally garnering much attention when he took up a scholarship to the Berklee School of Music...



Barbara Thompson

of the sizeable clutch of young saxophonists in the bebop and post-bebop moulds presently jostling on the local scene...

established British musicians, Brian Dee (piano) and Allan Ganley (drums), along with relative newcomer, bassist Mario Castronari...

Additionally the severely under-recognised alto-saxist Geoff Simkins shows much empathy in the union passages with the guitarist Dave Cliff...

YAMAHA Performing art - A Yamaha piano is a high-performance instrument - and a work of art. Because Yamaha combines a century of craftsmanship with the most innovative technology...

Splash out for the New Year! The New Recording of SHOW BOAT with Frederica von Stade · Jerry Hadley · Teresa Stratas · Bruce Hubbard · Karla Burns · Lillian Gish

TOP 20 BEST SELLERS ON COMPACT DISC - Table with 20 entries including records like 'The Complete Dial Masters', 'The Night Porter', 'The Godfather Part 2' etc.

RECORDS

مكتبة من النحل

David Murray

Having listened again this year to many more recordings than I can do here more than recall the best of what has happened to reach me... The chief exception is the new Philips Ariadne and Menon...

The attraction of pop music is that, like paper tissues and bin linings, it is designed for convenience and instant disposability... The female equivalent of Bros, Kyle Minogue, merits a moment's thought because she symbolises the enmeshing of the two great drugs of our time, pop and television...



Bros: out with the tide next year?

Antony Thorncroft

Clubs like the Troubadour in Earls Court became popular for another generation of hippies, and the path pioneered last year by Suzanne Vega was a thoroughfare for Tracey Chapman, Michelle Shocked, and They began to jumble clips from various tracks, speeded up the tempo, and imported that clanking European bass beat, first fashioned in the discos of the Costa Blanca...

'New technology is easing towards music aimed at an older audience'

has moved down the body from the ears to the feet, and the most representative album of the year is The Greatest Hits of House (Stylus) which includes American originals by the founder of it all, Farley (Jackmaster) Funk and imaginative British imitations, including Yazz, one of the few mortals to retain street cred while being featured in Smash Hits...

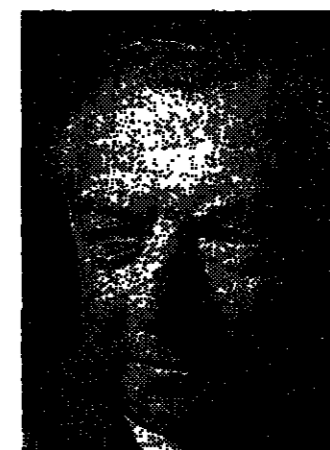


Tanita Tikaram: post-hippie folk revivalist

over rated album was Rattle & Hum by U2 (Island), a band which relies for its success on the ageing memories of men who like to consider themselves "right on"...

Paul Driver

Now I can apologise for my mistake in last year's Records of the Year: a simple but crashing error, committed in my first word when I attributed the new compact disc of music by Sir Peter Maxwell Davies...



Benjamin Britten

tion between Britten and W.H. Auden - doesn't really exist. Entertaining and humorous though it is, it has the brilliant serenity that you would expect of a first venture by these two ultra-professional authors. Poetically and musically, it cries out to be savoured; altogether, it cries out to be regularly staged...

Max Loppert

ECD 75318). The enrichment of the CD catalogue with worthwhile reprints, often in sound quality enormously improved upon the original, continues to be one of the happy features of home listening... Two opera sets particularly enhanced by the long sales and silent surfaces of the format came from EMI - the 1983 recording of Rousset's magnificent opera-ballet Paimdassi, magnificently played and sung by Toulouse forces under Michel Plasson...

together a single-CD disc of excerpts from a 1960 Paris concert performance of Gluck's Orfeo (in the familiar "post-Berlioz composite" version). The reason for making this one of the records of the year, and indeed for placing it on the shortlist of essential Gluck solo singing on records, is Rita Gorr's Orpheus: a rare sample of a great singer too seldom recorded in her prime... A final mention, outside my "usual" territory, must go to Miriam Makeba's Songoma (Warner Bros 925 673-2), a sample of a supreme popular artist at the peak of her expressive powers...

The Most Talked About Opera Recording of 1988. Includes details about the recording and the artists involved.

'IN QUIRES & PLACES...' NEW SERIES. Lists various choir recordings from Worcester Cathedral, Peterborough Cathedral, etc.

Doing it for the money. Advertisement for Jim Davidson's comedy show, featuring a photo of him and promotional text.

GRAMOPHONE & CO LTD. CRITICS' CHOICE 1988. Advertisement for Franz Schubert's symphonies, featuring a photo of the composer.

PHILIPS The Collection. Advertisement for a collection of recordings, featuring a photo of a CD case and promotional text.

ARTS

Theatre: Michael Coveney assesses the past year's British stage productions

This dangerous freedom of choice

In his wittily turned and well argued Financial Times Arts lecture at the end of November, David Puttnam inverted an apothegm of Hannah Arendt in discussing the evil of banality that might descend on us in an entertainment market ruled by fewer people with ever increasing opportunities and outlets. In such a world, the special event nature of live theatre, be it Michael Jackson at Wembley Stadium or Aida at Earl's Court, assumes a crucial significance. You can stay at home and be spoon-fed videos, quiz shows and Sky Channel global sports reports, or you can make an act of participatory dedication at a concert, a theatre, a cinema.

This is the great lesson of De Sade and the true Surrealists. This nihilistic view excludes the joyous, life-affirming character of much great art, but it contains an essential truth about its general properties to which Puttnam referred in his lecture. Even non-oppositional art will upset the Sing Some thing Simple, Reader's Digest brigade if it is awkward, long, "difficult" (a pejorative meaning "beyond me") or unusual. I witnessed three such joyously life-enhancing marathons this year that brought audiences to their feet, and not just because it was time to stretch.

Peter Brook's Mahabharata, in a sand-blasted Glasgow Victorian transport museum, recast the Sanskrit epic in a new mould of heroic Third World theatre and justified at a stroke Brook's privileged sedition in Paris these last 15 years.

At the York Festival (coming to the Old Vic soon), the English Stage Company of the two Michaels, Bogdanov and Pennington, took us on a rousing journey through the Wars of the Roses, with many an anachronistic side-swipe at the

purists but a gathering groundswell of sardonic patriotic fervour, corruption among the bureaucrats and whimsical carnage. Pennington played Richard II, Henry V, Henry VI, Jack Cade, and Buckingham. On the whole, he won.

The third mad enterprise was both parts of Goethe's Faust at the Lyric, Hammer-smith, with Simon Callow leading a fine young company energetically directed by David Freeman. It was astonishing to see how the tale emerged as modern parable of materialism and ambition. The first transposition of Robert David Macdonald put us in touch with a masterpiece, Callow and co were unfazed by the supposed stage-unworthiness of it all.

There were nearer, more perfect evenings than these, but none more worth the effortful strain of being a hard-working, specialist audience prepared to go beyond the sugared diet of Denon's Opera or the blandly unfunny effusions of Emma Thompson.

The easy listeners had a hard time themselves with the year's musicals. Topoi followed Len Caron into Siegfried but the stinker still stank, and sunk. Badgie proved that Adam Faith was right to develop his offstage business interests, while Carrie suggested that Terry Hands, the artistic director of the Royal Shakespeare Company, knew nothing about the musical theatre, a condition to which he unashamedly owned up when the show folded on Broadway after five performances.

Later in the year, Hands declared that he never reads newspapers. I was more shocked by this than I should have been, but the statement chimed with hermetic snugness of the RSC repertoire. Howard Barker's Bite of the Night in the wretched Pit (Nigel Terry and Diane Fletcher outstanding) broke through in a livid deconstruction of the Helen of Troy myth as did a revival of Howard Brenton's glib dystopia The Churchill Play, appropriately set in the Barbican.

At Stratford-upon-Avon, though, outside directors saved the day with a series of wonderful post-Modernist The Tempest restoring John Wood to stellar prominence after an absence of 16 years, and Deborah Warner revealing King John as a near-masterpiece, Nicholas Woodson and David Morrissey excellent as monarch and Bastard.

In the West, Stuart Russell Beale played four fops famously, but the Restoration season was only really memorable for Ron Daniels' revival of Wycherley's greatest play, The Plain Dealer, after 60 years of neglect. David Calder strode to star status as the undone pig Malley, well supported by one of Stratford's better catches, Joanne Pearce.

Calder and Pearce made strong contributions to the RSC's main Stratford project, Adrian Noble's conflation of the three parts of Henry VI in two plays, followed by Richard II. The first play was brilliantly staged, but the impetus drained away. Anton Lesser's fitfully impressive Richard III, Penny Downie's Queen Margaret and Ralph Fiennes's Henry VI keeping heads above increasingly inkwater. A challenge to RSC Shakespeare was mounted by Kenneth Branagh's triumphant Renaissance Theatre season at the Phoenix after a sell-out tour, though the manner was fresh and conventional rather than innovative. Then Derek Jacobi swept on as the best Richard II in memory in an otherwise drab commercial presentation.

Jonathan Miller's first year at the Old Vic included the most penetratingly analytical view of The Tempest but was scuppered by a dullish Prospero by Max von Sydow.

Miller's programme kicked off with a superb Andromache with Janet Suzman, followed by Brecht, George Chapman (David Threlfall as Bussy D'Amboise) and a remarkable, stark-on Expressionistic view of Ostrovsky's Too Clever By Half, Alex Jennings confirming his arrival in the top league.

Already, the Miller Old Vic operation has been cut back to four productions next year, two of them Shakespearean. But what a prospect is in store with Eric Porter as King Lear and Fiona Shaw as Rosalind. Perhaps the National Theatre under Richard Eyre will become more adventurous in its selection from the world



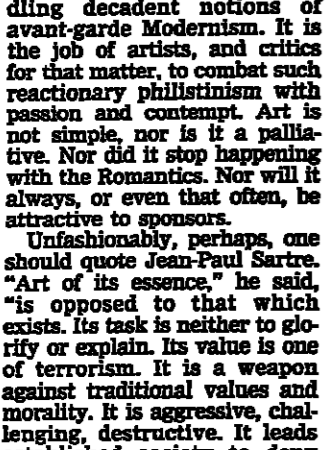
Melanie Thew and Duncan Bell in the RSC Tempest



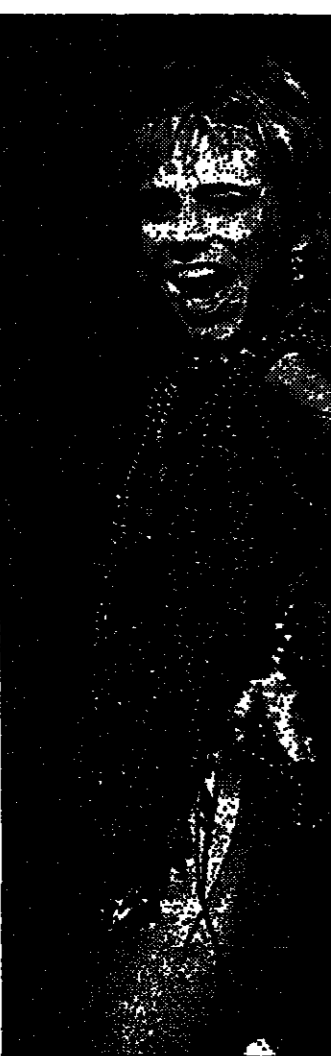
From left, Brian Rix, Derek Royle and Nick Wilson in Dry Rot



Simon Callow as Faust in Faust Part II at the Lyric, Hammer-smith



Vanessa Redgrave in Orpheus Descending



Charlotte d'Amboise and Gene Ray in the flop that was Carrie

Advertisement for 'Nanking' Porcelain 'Tang' Horses, featuring images of horses and contact information for the seller.

Charlottesville and Gene Ray in the flop that was Carrie. In the West, Stuart Russell Beale played four fops famously, but the Restoration season was only really memorable for Ron Daniels' revival of Wycherley's greatest play, The Plain Dealer, after 60 years of neglect.

than innovative. Then Derek Jacobi swept on as the best Richard II in memory in an otherwise drab commercial presentation. Jonathan Miller's first year at the Old Vic included the most penetratingly analytical view of The Tempest but was scuppered by a dullish Prospero by Max von Sydow.

and Ian Charleson battling it out with Eric Porter (another notable stage resurrection) as Big Daddy, The Shaughraun with Stephen Rea leading the authorities a merry dance along the Sligo coast and on David Hare's The Secret Rapture, the best play of the year.

The Hare piece was a classic example of a play catching the mood, reflecting how a country lives now and discussing the issues in scenes of rich and complex drama. A family and its fortunes, a reverberative funeral, a business take-over, a crime of passion. A tale of two sisters. The control of information was brilliantly organised, and the notion of how personal ambitions could be trimmed in a changing political climate beautifully expressed in character.

the Netherlands Opera in Amsterdam, and his successor will be the actor Ian McDermid, who graced this underfunded theatre as the director of a superbly acted Howard Barker evening, The Possibilities. The Almeida then presented an unprecedented three-month season by one company, Theatre de Complicite, whose revival of The Visit was equal to any production all year. Invidiously, I salute Kathryn Hunter and Simon McBurney.

Every year one has to say that, without the Almeida, the Royal Court, the entirely unfunded Old Red Lion, the Gate, the Bush, the touring companies (Foco Novo was cut down this year), there would be no great British theatre for the businessmen to sponsor. It is increasingly hard for the roots of our theatre to survive in barren soil. The Arts Council has exchanged a nurturing policy for a de-naturing one. Bums on seats and co-productions with the Theatre Royal, Plymouth, sum up the prevailing philosophy.

Felicity Kendal, Nigel Hawthorne and Roger Rees lit up the wonderful farce of identity crisis, double agents and quantum physics in Tom Stoppard's Hapgood. Michael Gambon was an obvious but unbeatable Uncle Vanya. Maureen Lipman a cunning impersonator of Joyce Grenfell. Brian Rix a welcome breath of stale air in the unfairly derided classic farce Dry Rot.

Other favourites were Gillian Barge giving a performance of a lifetime as Mrs Klein, the Sheffield Crucible wrestling boldly with Botho Strauss's great play, The Soul, Rupert Everett and Maria Aiken in The Vortex at the Glasgow Citizens (coming to London next month), Our Country's Good at the Royal Court, lots of new work by Frank McGuinness in Ireland, Tom Courtenay in Dealing With Clair at the Orange Tree, Susan Fleetwood in The Fisher at the NT, Harold Innocent in An Inspector Calls at the Birmingham Rep, Jane Asher in Alan Ayckbourn's remarkable Honeysuckle, Prunella Scales and Alan Bennett as the Queen and Anthony Hunt in Single Spies.

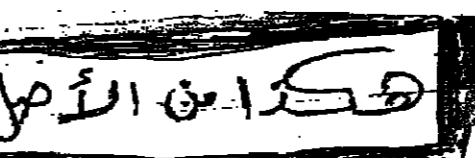
The folk at Broadcasting House (to whom I wish a happy New Year, as free as may be from Government interference) believe that what the listeners want at Christmas is to remember old times. So we get choice bits of Take it from Here, The Good Show, Round the Horne, Ambridge and Gastly Mabbler. Radio 4's Ambridge Chronicles was an imaginative reconstruction of what brought all those Archers and things together, adapted by Peter Mackie from a novel by Jock Gallagher set in the period 1914-1922. It had an Ambridge feeling all right; it was just another story about the people who, after that period, settled down to become the familiar characters they already almost were. Perhaps Ambridge-lovers may have found errors in the putative relationships; then they can write letters to the Radio Times. This might remind that journal that it has some responsibility for radio, which is slipping out of the editorial pages.

Richard Eyre promised emphasis on verbal and visual imagery and got the balance wrong in The Changing Light, Miranda Richardson seemed to be pitching at the wrong level. Bartholomew Fair was better. Anthony O'Donnell a splendid Humfrey Wasp, John Wells gloriously amateurlish as a disguised moralist. The most succulent NT work, though, came from Howard Davies on Cat on a Hot Tin Roof with Lindsay Duncan

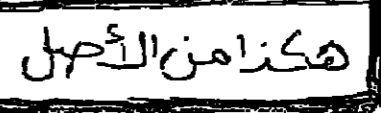
Looking through my own old times notes for the past year, I find to my surprise that many of the items that gave me most satisfaction were on Radio 1. Not the old Beatles tapes, which I thought belonged more to nostalgic old Radio 2, but Radio 1's attempts to make its listeners understand the new rules for benefits, and to deal sensibly with drugs and drink - these were ably presented. So were its own programmes, presented under the telling title, What's Love Got to do with It? It happened that the bestly confessions of Radio 1 listeners hit the air just as Radio 4 reached Lust in its Seven Deadly Sins sequence; I suppose it depended on the interviews, but the young people on Radio 4 seemed more than Radio 1. Radio 1's The Dream, with songs inspired by Martin Luther King's famous dream, was not a winner, but race has got to be tackled, and so (not only on this channel) has honesty. Australia's bicentenary was generously covered with 13 Sunday programmes that told us a heap; I was especially glad to learn so much about the history of the aboriginals. Thirteen programmes is only one

year's best play was Anthony Minghella's Cigarettes and Chocolate. Chocolate, with no cigarettes, was a poor Russian play with just the sociological faults that make bad Russian plays bad. We dutifully heard all the Elliot plays, good and less good, and a representative selection of O'Neill's. I mustn't go through all the year's drama, though. Some of the good plays will get Giles Cooper Awards next summer, and as I know which, I can say that they are among my own favourites. Globe Theatre, a Sunday afternoon series of one-hour plays from the World Service as well as Radio 4 gave a particularly good selection at a particularly good listening hour. And I liked Tales of Narcissa for schools. Colin Tudge's Radio 3 science programmes treat listeners as avid for knowledge rather than always evident on Radio 4, as it does too in its natural history features. Radio 3's new schedules can't please everyone, and evidently don't always please the Controller, since he intends to change them again, with a down-market programme in the evenings where music will be "a social phenomenon rather than an autonomous art." (Brunel Radio in Wiltshire announced pop records for "more mature listeners" - 40 to 60.) The Ear, which Radio 3 is so proud of, won't be interrupted.

B.A. Young



NEW YEAR TV & RADIO



NEW YEAR'S DAY

MONDAY

NEW YEAR'S DAY

Stars in sight and sound

By CHRISTOPHER DUNKLEY

Assuming you were crazy enough to want to, you could watch old movies just about all day today starting shortly after dawn and finishing at 5.00 tomorrow morning. There are one or two authentic programmes mixed in with the films, but nothing to keep an able bodied person away from the telly...

BBC1 schedule table with columns for time and program details.

BBC2 schedule table with columns for time and program details.

BBC1 schedule table with columns for time and program details.

BBC2 schedule table with columns for time and program details.

ITV/LONDON schedule table with columns for time and program details.

CHANNEL 4 schedule table with columns for time and program details.

ITV/LONDON schedule table with columns for time and program details.

CHANNEL 4 schedule table with columns for time and program details.

MONDAY

Yet again there are an awful lot of movies stuffed into the schedules but the variety is rather more impressive than on most of the days in this seemingly endless New Year hiatus. Those intent upon a marathon peep-in can start as early as 10.30 this morning...

NEW YEAR'S DAY

RADIO MONDAY

MONDAY

RADIO 2 schedule table with columns for time and program details.

RADIO 4 schedule table with columns for time and program details.

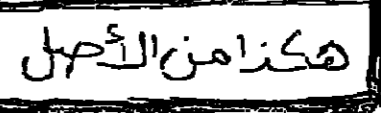
RADIO 3 schedule table with columns for time and program details.

RADIO 4 schedule table with columns for time and program details.

VARIATIONS

Table listing various radio and TV variations for Monday.

NEW YEAR TV & RADIO



NEW YEAR'S DAY

MONDAY

NEW YEAR'S DAY

Stars in sight and sound

By CHRISTOPHER DUNKLEY

Assuming you were crazy enough to want to, you could watch old movies just about all day today starting shortly after dawn and finishing at 5.00 tomorrow morning. There are one or two authentic programmes mixed in with the films, but nothing to keep an able bodied person away from the telly...

BBC1 schedule table with columns for time and program details.

BBC2 schedule table with columns for time and program details.

BBC1 schedule table with columns for time and program details.

BBC2 schedule table with columns for time and program details.

ITV/LONDON schedule table with columns for time and program details.

CHANNEL 4 schedule table with columns for time and program details.

ITV/LONDON schedule table with columns for time and program details.

CHANNEL 4 schedule table with columns for time and program details.

MONDAY

Yet again there are an awful lot of movies stuffed into the schedules but the variety is rather more impressive than on most of the days in this seemingly endless New Year hiatus...

NEW YEAR'S DAY

RADIO MONDAY

MONDAY

RADIO 2 schedule table with columns for time and program details.

RADIO 4 schedule table with columns for time and program details.

RADIO 3 schedule table with columns for time and program details.

RADIO 4 schedule table with columns for time and program details.

WORLD SERVICE schedule table with columns for time and program details.

MONDAY

VARIOUS VARIATIONS NEW YEAR'S DAY